**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**Washington, D. C. 20549**

**FORM 8-K**

**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15(d) OF THE**
**SECURITIES EXCHANGE ACT OF 1934**

**Date of Report (Date of earliest event reported): February 10, 2022**

| Commission File Number | Registrant; State of Incorporation; Address; and Telephone Number | I.R.S. Employer Identification No. |
|---|---|---|
| 333-21011 | FIRSTENERGY CORP<br>(An Ohio Corporation)<br>76 South Main Street<br>Akron OH 44308<br>Telephone (800) 736-3402 | 34-1843785 |

**Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:**

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock, $0.10 par value per share | FE | New York Stock Exchange |

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR §230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR §240.12b-2).
Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

**Item 2.02 Results of Operations and Financial Condition**

On February 10, 2022, FirstEnergy Corp. (FirstEnergy or Company) issued two public documents which, among other things: provide results for the three months and year-ended December 31, 2021, and provide a GAAP forecast and operating (non-GAAP) earnings guidance for both the full-year and first quarter of 2022. FirstEnergy's Press Release and 4Q 2021 Strategic and Financial Highlights, which are attached as Exhibits 99.1 and 99.2, respectively, hereto and incorporated herein by reference, contain non-GAAP financial measures. Pursuant to the requirements of Regulation G and Item 10(e)(i) of Regulation S-K, FirstEnergy has provided quantitative reconciliations within the Press Release and 4Q 2021 Strategic and Financial Highlights of the non-GAAP financial measures to the most directly comparable financial measures calculated and presented in accordance with accounting principles generally accepted in the United States (GAAP). The information set forth in and incorporated into this Item 2.02 of this Current Report on Form 8-K is being furnished pursuant to Item 2.02 of Form 8-K and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any of the Company's filings under the Securities Act of 1933 or the Securities Exchange Act of 1934, whether made before or after the date hereof and regardless of any general incorporation language in such filings, except to the extent expressly set forth by specific reference in such a filing.

The attached Press Release and 4Q 2021 Strategic and Financial Highlights contain references to non-GAAP financial measures including, among others, Operating earnings (loss), Operating earnings (loss) per share (EPS), and Operating earnings (loss) per share on a segment basis.. Generally, a non-GAAP financial measure is a numerical measure of a company's historical or future financial performance, financial position, or cash flows that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with GAAP. Operating earnings (loss), Operating earnings (loss) per share, and Operating earnings (loss) per share by segment are not calculated in accordance with GAAP to the extent they exclude the impact of "special items." Special items represent charges incurred or benefits realized that management believes are not indicative of, or may obscure trends useful in evaluating the Company's ongoing core activities and results of operations or otherwise warrant separate classification. Special items are not necessarily non-recurring. The Company's management cannot estimate on a forward-looking basis the impact of these items in the context of long-term annual Operating EPS growth rate projections because these items, which could be significant, are difficult to predict and may be highly variable. Consequently, the Company is unable to reconcile long-term annual Operating EPS growth projections to a GAAP measure without unreasonable effort. Basic (GAAP) EPS and Operating EPS and Basic (GAAP) EPS and Operating EPS for each segment are calculated by dividing Operating earnings (loss), which excludes special items as discussed above, for the periods presented by 542 million shares for full year 2020, 543 million shares for fourth quarter of 2020, 545 million shares for full year 2021, 550 million shares for the fourth quarter of 2021, and 571 million shares for the first quarter and full year 2022. Management uses non-GAAP financial measures such as Operating earnings (loss), and Operating earnings (loss) per share, to evaluate the Company's performance and manage its operations and frequently references these non-GAAP financial measures in its decision-making, using them to facilitate historical and ongoing performance comparisons. Additionally, management uses Operating earnings (loss) per share by segment to further evaluate FirstEnergy's performance by segment and references this non-GAAP financial measure in its decision-making. Management believes that the non-GAAP financial measures of Operating earnings (loss), Operating earnings (loss) per share, and Operating earnings (loss) per share by segmentprovide consistent and comparable measures of performance of its businesses on an ongoing basis. Management also believes that such measures are useful to shareholders and other interested parties to understand performance trends and evaluate the Company against its peer group by presenting period-over-period operating results without the effect of certain charges or benefits that may not be consistent or comparable across periods or across the Company's peer group. All of these non-GAAP financial measures are intended to complement, and are not considered as alternatives to, the most directly comparable GAAP financial measures. Also, the non-GAAP financial measures may not be comparable to similarly titled measures used by other entities.

**Item 7.01 Regulation FD Disclosure**

On February 10, 2022, FirstEnergy expects to post to its website at www.firstenergycorp.com/ir its latest investor FactBook, which has been, among other things, updated in certain respects with information as of the year ended December 31, 2021.

The information set forth in and incorporated into this Item 7.01 of this Current Report on Form 8-K is being furnished pursuant to Item 7.01 of Form 8-K and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference into any of the Company's filings under the Securities Act of 1933 or the Securities Exchange Act of 1934, whether made before or after the date hereof and regardless of any general incorporation language in such filings, except to the extent expressly set forth by specific reference in such a filing. The furnishing of this Item 7.01 of this Current Report on Form 8-K shall not be deemed an admission as to the materiality of any information herein that is required to be disclosed solely by reason of Regulation FD.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

| Exhibit No. | Description |
|---|---|
| 99.1 | Fourth Quarter and Full Year 2021 Financial Results Press Release issued by FirstEnergy Corp., dated February 10, 2022 |
| 99.2 | 4Q 2021 Strategic and Financial Highlights, dated February 10, 2022 |
| 104 | Cover Page Interactive Data File (the cover page XBRL tags are embedded within the Inline XBRL document) |

**Forward-Looking Statements:** This Form 8-K includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 based on information currently available to management. Such statements are subject to certain risks and uncertainties and readers are cautioned not to place undue reliance on these forward-looking statements. These statements include declarations regarding management's intents, beliefs and current expectations. These statements typically contain, but are not limited to, the terms “anticipate,” “potential,” “expect,” "forecast," "target," "will," "intend," "believe,” "project," “estimate," "plan" and similar words. Forward-looking statements involve estimates, assumptions, known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements, which may include the following: risks associated with obtaining court approval of the definitive settlement agreement in the derivative cases, the potential liabilities, increased costs and unanticipated developments resulting from governmental investigations and agreements, including those associated with compliance with or failure to comply with the Deferred Prosecution Agreement entered into on July 21, 2021 with the U.S. Attorney’s Office for the Southern District of Ohio; the risks and uncertainties associated with government investigations regarding Ohio House Bill 6, as passed by Ohio’s 133rd General Assembly, and related matters including potential adverse impacts on federal or state regulatory matters including, but not limited to, matters relating to rates; the potential of non-compliance with debt covenants in our credit facilities; the risks and uncertainties associated with litigation, arbitration, mediation and similar proceedings; legislative and regulatory developments, including, but not limited to, matters related to rates, compliance and enforcement activity; the ability to accomplish or realize anticipated benefits from our FE Forward initiative and our other strategic and financial goals, including, but not limited to, overcoming current uncertainties and challenges associated with the ongoing government investigations, executing our transmission and distribution investment plans, greenhouse gas reduction goals, controlling costs, improving our credit metrics, growing earnings, strengthening our balance sheet, and satisfying the conditions necessary to close the sale of the minority interest in FirstEnergy Transmission, LLC; economic and weather conditions affecting future operating results, such as a recession, significant weather events and other natural disasters, and associated regulatory events or actions in response to such conditions; the risks associated with cyber-attacks and other disruptions to our, or our vendors’, information technology system, which may compromise our operations, and data security breaches of sensitive data, intellectual property and proprietary or personally identifiable information; mitigating exposure for remedial activities associated with retired and formerly owned electric generation assets; the ability to access the public securities and other capital and credit markets in accordance with our financial plans, the cost of such capital and overall condition of the capital and credit markets affecting us, including the increasing number of financial institutions evaluating the impact of climate change on their investment decisions; the extent and duration of the COVID-19 pandemic and the related impacts to our business, operations and financial condition resulting from the outbreak of COVID-19 including, but not limited to, disruption of businesses in our territories, additional costs, workforce impacts and governmental and regulatory responses to the pandemic, such as moratoriums on utility disconnections and workforce vaccination mandates; the effectiveness of our pandemic and business continuity plans, the precautionary measures we are taking on behalf of our customers, contractors and employees, our customers' ability to make their utility payment and the potential for supply-chain disruptions; actions that may be taken by credit rating agencies that could negatively affect either our access to or terms of financing or our financial condition and liquidity; changes in assumptions regarding factors such as economic conditions within our territories, the reliability of our transmission and distribution system, or the availability of capital or other resources supporting identified transmission and distribution investment opportunities; changes in customers’ demand for power, including, but not limited to, the impact of climate change or energy efficiency and peak demand reduction mandates; changes in national and regional economic conditions, including recession and inflationary pressure, affecting us and/or our customers and those vendors with which we do business; the ability to comply with applicable reliability standards and energy efficiency and peak demand reduction mandates; changes to environmental laws and regulations, including, but not limited to, those related to climate change; changing market conditions affecting the measurement of certain liabilities and the value of assets held in our pension trusts, or causing us to make contributions sooner, or in amounts that are larger, than currently anticipated; labor disruptions by our unionized workforce; changes to significant accounting policies; any changes in tax laws or regulations, or adverse tax audit results or rulings; and the risks and other factors discussed from time to time in our Securities and Exchange Commission (“SEC”) filings. Dividends declared from time to time on FirstEnergy Corp.’s common stock and outstanding preferred stock, if any, during any period may in the aggregate vary from prior periods due to circumstances considered by FirstEnergy Corp.’s Board of Directors at the time of the actual declarations. A security rating is not a recommendation to buy or hold securities and is subject to revision or withdrawal at any time by the assigning rating agency. Each rating should be evaluated independently of any other rating.

These forward-looking statements are also qualified by, and should be read together with, the risk factors included in FirstEnergy Corp.’s filings with the SEC, including, but not limited to, the most recent Annual Report on Form 10-K and any subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. The foregoing review of factors also should not be construed as exhaustive. New factors emerge from time to time, and it is not possible for management to predict all such factors, nor assess the impact of any such factor on FirstEnergy Corp.’s business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statements. FirstEnergy Corp. expressly disclaims any obligation to update or revise, except as required by law, any forward-looking statements contained herein or in the information incorporated by reference as a result of new information, future events or otherwise.

**SIGNATURE**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

February 10, 2022

FIRSTENERGY CORP.
Registrant

By: /s/ Jason J. Lisowski

Jason J. Lisowski
Vice President, Controller and
Chief Accounting Officer

**Exhibit 99.1**

**FirstEnergy Corp.**
76 South Main Street
Akron, Ohio 44308
www.firstenergycorp.com

**For Release:** February 10, 2022

**News Media Contact:**
Tricia Ingraham
(330) 384-5247

**Investor Contact:**
Irene Prezelj
(330) 384-3859

# FirstEnergy Announces Fourth Quarter and Full Year 2021 Financial Results

*Updates and Affirms Full-Year 2022 GAAP and Operating Guidance*
*Provides Guidance for First Quarter*

Akron, Ohio – FirstEnergy Corp. (NYSE: FE) today reported full-year 2021 GAAP earnings of $1.3 billion, or $2.35 per basic and diluted share of common stock, on revenue of $11.1 billion. In 2020, the company reported GAAP earnings of $1.1 billion, or $1.99 per basic and diluted share of common stock, on revenue of $10.8 billion. Results include the impact of special items listed below.

Operating (non-GAAP) earnings* were $2.60 per share in 2021, compared to $2.39 per share in 2020. This approximately 9% increase reflects continued earnings growth from FirstEnergy's customer-focused capital investment strategy in its regulated businesses.

"Throughout 2021, our board, leadership team and employees worked together to dramatically reshape FirstEnergy. We've taken important steps to optimize operations, deliver a superior customer experience, strengthen our financial position and – most importantly – instill trust and confidence in our company," said Steven E. Strah, FirstEnergy's president and chief executive officer. "As we continue building on this progress, I'm confident we will be a premier company, centered on our core values, that delivers an impeccable customer experience and is a leader in the energy transition."

FirstEnergy updated its full year 2022 GAAP earnings guidance range to $1,375 million to $1,490 million, or $2.41 to $2.61 per share, and affirmed its full-year 2022 operating (non-GAAP) earnings guidance range of $1,315 million to $1,430 million, or $2.30 to $2.50 per share based on 571 million shares outstanding, which reflects the comprehensive settlement in Ohio to refund over $300 million to customers. For the first quarter of 2022, FirstEnergy expects GAAP earnings in the range of $285 million to $345 million, or $0.50 to $0.60 per share, and operating (non-GAAP) earnings of $0.55 to $0.65 per share.

“I am very excited about our company’s future,” Strah said. “Our strategic plan reflects sustainable investments in our regulated businesses to strengthen the grid and lead the energy transition. This includes a capital investment program of approximately $3.3 billion in 2022 – a 15% increase compared to 2021 – with approximately 70% of those investments recovered through formula rates. At the same time, our employee-led FE Forward program is transforming our company into an innovative and forward-thinking utility by modernizing the way we work and the value we provide to customers.”

**Fourth Quarter Results**

FirstEnergy reported GAAP earnings of $427 million for the fourth quarter of 2021, or $0.77 per basic and diluted share of common stock, on revenue of $2.7 billion. In the fourth quarter of 2020, FirstEnergy reported GAAP earnings of $242 million, or $0.45 per basic and diluted share of common stock, on revenue of $2.5 billion. Results include the impact of special items shown below.

Operating (non-GAAP) earnings for the fourth quarter of 2021 were $0.51 per share, compared to $0.32 per share in the fourth quarter of 2020.

In FirstEnergy’s Regulated Distribution business, fourth quarter 2021 operating results increased due to higher revenues from the implementation of new base rates, capital investment programs, as well as the absence of the charge recognized in the fourth quarter of 2020 associated with forgoing collection of lost distribution revenues. This was partially offset by lower residential demand and higher operating expenses associated with strategic investments to enhance reliability.

Total distribution deliveries for the fourth quarter of 2021 increased 1.1% compared to the fourth quarter of 2020. Residential sales decreased 1.4%, as customers spent less time at home compared to the fourth quarter of 2020. Commercial deliveries increased 1.2%, while sales to industrial customers increased 3.5%, reflecting a gradual recovery from the pandemic and recessionary conditions.

In the Regulated Transmission business, fourth quarter 2021 operating earnings decreased as earnings from the company’s Energizing the Future initiative were offset by higher net financing costs and other charges.

In the Corporate/Other segment, fourth quarter 2021 operating results improved, reflecting lower corporate support expenses and higher discrete income tax benefits compared to the fourth quarter of 2020.

**Full-Year 2021 Segment Results**

In the Distribution business, operating earnings increased for the full year of 2021 compared to 2020, primarily due to higher customer demand, revenues from the implementation of new base rates

and capital investments programs, and lower operating expenses. These were offset by the absence of decoupling revenues in 2021 and higher interest expense.

Total distribution deliveries in 2021 increased 2.4% compared to 2020, primarily reflecting higher weather-related usage as well as economic recovery in the commercial and industrial sector. Residential sales increased 1.2%, while commercial and industrial deliveries increased by 2.3% and 3.8% respectively. When adjusted for the impact of weather, total deliveries increased by 1.5% due to higher demand by commercial and industrial customers, partially offset by a slight decrease in usage by residential customers.

In the Regulated Transmission business, full-year 2021 operating earnings benefited from continued rate base growth, but this was offset by higher interest expense, prior-year formula rate true-ups and other charges.

In the Corporate/Other segment, 2021 operating results improved compared to 2020 primarily due to lower corporate support expenses and higher discrete income tax benefits associated with claimed federal tax credits and resolution of certain federal tax matters, partially offset by higher interest expense.

**Consolidated GAAP Earnings to Operating (Non-GAAP) EPS* Reconciliation**

| | Fourth Quarter | | Full Year | | 2022 Estimates | |
|---|---|---|---|---|---|---|
| | **2021** | **2020** | **2021** | **2020** | **First Quarter** | **Full Year** |
| **Net Income (GAAP) - $M** | $427 | $242 | $1,283 | $1,079 | $285 - $345 | $1,375 - $1,490 |
| **Basic EPS (GAAP)** | $0.77 | $0.45 | $2.35 | $1.99 | $0.50 - $0.60 | $2.41 - $2.61 |
| Excluding Special Items*: | | | | | | |
| Pension/OPEB Mark-to-market adjustments | (0.47) | 0.01 | (0.48) | 0.60 | — | — |
| Regulatory charges | 0.22 | — | 0.30 | 0.01 | — | — |
| Asset impairment | — | — | 0.01 | — | — | — |
| Exit of Generation | (0.08) | (0.14) | (0.19) | (0.21) | — | — |
| State tax legislative changes | — | — | 0.02 | — | — | — |
| Investigation and other related costs (credits) | 0.07 | — | 0.58 | — | — | (0.16) |
| FE Forward cost to achieve | — | — | 0.01 | — | — | — |
| Debt-related costs | — | — | — | — | 0.05 | 0.05 |
| Total Special Items* | (0.26) | (0.13) | 0.25 | 0.40 | 0.05 | (0.11) |
| **Operating EPS (Non-GAAP)** | $0.51 | $0.32 | $2.60 | $2.39 | $0.55 - $0.65 | $2.30 - $2.50 |

Per share amounts for the special items and earnings drivers above and throughout this report are based on the after-tax effect of each item divided by the number of shares outstanding for the period. The current and deferred income tax effect, which ranges from 21% to 29% in all periods, was calculated by applying the subsidiaries' statutory tax rate to the pre-tax amount if deductible/taxable.

**Non-GAAP financial measures**

* Operating earnings (loss) excludes “special items” as described below, and is a non-GAAP financial measure. Special items represent charges incurred or benefits realized that management believes are not indicative of, or may obscure trends useful in evaluating the Company’s ongoing core activities and results of operations or otherwise warrant separate classification. Special items are not necessarily non-recurring. Management uses Operating earnings (loss) and Operating earnings (loss) per share to evaluate the Company’s performance and manage its operations and frequently references these non-GAAP financial measures in its decision making, using them to facilitate historical and ongoing performance comparisons. Additionally, management uses Operating earnings (loss) per share by segment to further evaluate the Company's performance by segment and references this non-GAAP financial measure in its decision making. Basic (GAAP) EPS and Operating EPS and Basic (GAAP) EPS and Operating EPS for each segment are calculated by dividing Operating earnings (loss), which excludes

special items as discussed above, for the periods presented by 542 million shares for full year 2020, 543 million shares for fourth quarter of 2020, 545 million shares for full year 2021, 550 million shares for the fourth quarter of 2021, and 571 million shares for the first quarter and full year 2022. Management believes that the non-GAAP financial measures of Operating earnings (loss) and Operating earnings (loss) per share and Operating earnings (loss) per share by segment provide consistent and comparable measures of performance of its businesses on an ongoing basis. Management also believes that such measures are useful to shareholders and other interested parties to understand performance trends and evaluate the Company against its peer group by presenting period-over-period operating results without the effect of certain charges or benefits that may not be consistent or comparable across periods or across the Company's peer group. Generally, a non-GAAP financial measure is a numerical measure of a company's historical or future financial performance, financial position, or cash flows that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with accounting principles generally accepted in the United States (GAAP). These non-GAAP financial measures are intended to complement, and are not considered as alternatives to, the most directly comparable GAAP financial measures. Also, the non-GAAP financial measures may not be comparable to similarly titled measures used by other entities. Pursuant to the requirements of Regulation G, FirstEnergy has provided, where possible without unreasonable effort, quantitative reconciliations within this presentation of the non-GAAP financial measures to the most directly comparable GAAP financial measures.

**Investor Materials and Teleconference**

FirstEnergy's *Strategic and Financial Highlights* and *Investor Factbook* are posted on the company's Investor Information website – www.firstenergycorp.com/ir. To access the report, click on the *Fourth Quarter 2021 Financial Results* link.

The company invites investors, customers and other interested parties to listen to a live webcast of its teleconference for financial analysts and view presentation slides at 9 a.m. EST tomorrow. FirstEnergy management will present an overview of the company's financial results, followed by a question-and-answer session. The teleconference and presentation can be accessed on the website by selecting the *Fourth Quarter 2021 Earnings Webcast* link. The webcast and presentation will be archived on the website.

FirstEnergy is dedicated to integrity, safety, reliability and operational excellence. Its 10 electric distribution companies form one of the nation's largest investor-owned electric systems, serving customers in Ohio, Pennsylvania, New Jersey, West Virginia, Maryland and New York. The company's transmission subsidiaries operate approximately 24,000 miles of transmission lines that connect the Midwest and Mid-Atlantic regions. Follow FirstEnergy on Twitter @FirstEnergyCorp or online at www.firstenergycorp.com.

**Forward-Looking Statements:** This news release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 based on information currently available to management. Such statements are subject to certain risks and uncertainties and readers are cautioned not to place undue reliance on these forward-looking statements. These statements include declarations regarding management's intents, beliefs and current expectations. These statements typically contain, but are not limited to, the terms "anticipate," "potential," "expect," "forecast," "target," "will," "intend," "believe," "project," "estimate," "plan" and similar words. Forward-looking statements involve estimates, assumptions, known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements, which may include the following: risks associated with obtaining court approval of the definitive settlement agreement in the derivative cases, the potential liabilities, increased costs and unanticipated developments resulting from governmental investigations and agreements, including those associated with compliance with or failure to comply with the Deferred Prosecution Agreement entered into on July 21, 2021 with the U.S. Attorney's Office for the Southern District of Ohio; the risks and uncertainties associated with government investigations regarding Ohio House Bill 6, as passed by Ohio's 133rd General Assembly, and related matters including potential adverse impacts on federal or state regulatory matters including, but not limited to, matters relating to rates; the potential of non-compliance with debt covenants in our credit facilities; the risks and uncertainties associated with litigation, arbitration, mediation and similar proceedings; legislative and regulatory developments, including, but not limited to, matters related to rates, compliance and enforcement activity; the ability to accomplish or realize anticipated benefits from our FE Forward initiative and our other strategic and financial goals, including, but not limited to, overcoming current uncertainties and challenges associated with the

ongoing government investigations, executing our transmission and distribution investment plans, greenhouse gas reduction goals, controlling costs, improving our credit metrics, growing earnings, strengthening our balance sheet, and satisfying the conditions necessary to close the sale of the minority interest in FirstEnergy Transmission, LLC; economic and weather conditions affecting future operating results, such as a recession, significant weather events and other natural disasters, and associated regulatory events or actions in response to such conditions; the risks associated with cyber-attacks and other disruptions to our, or our vendors', information technology system, which may compromise our operations, and data security breaches of sensitive data, intellectual property and proprietary or personally identifiable information; mitigating exposure for remedial activities associated with retired and formerly owned electric generation assets; the ability to access the public securities and other capital and credit markets in accordance with our financial plans, the cost of such capital and overall condition of the capital and credit markets affecting us, including the increasing number of financial institutions evaluating the impact of climate change on their investment decisions; the extent and duration of the COVID-19 pandemic and the related impacts to our business, operations and financial condition resulting from the outbreak of COVID-19 including, but not limited to, disruption of businesses in our territories, additional costs, workforce impacts and governmental and regulatory responses to the pandemic, such as moratoriums on utility disconnections and workforce vaccination mandates; the effectiveness of our pandemic and business continuity plans, the precautionary measures we are taking on behalf of our customers, contractors and employees, our customers' ability to make their utility payment and the potential for supply-chain disruptions; actions that may be taken by credit rating agencies that could negatively affect either our access to or terms of financing or our financial condition and liquidity; changes in assumptions regarding factors such as economic conditions within our territories, the reliability of our transmission and distribution system, or the availability of capital or other resources supporting identified transmission and distribution investment opportunities; changes in customers' demand for power, including, but not limited to, the impact of climate change or energy efficiency and peak demand reduction mandates; changes in national and regional economic conditions, including recession and inflationary pressure, affecting us and/or our customers and those vendors with which we do business; the ability to comply with applicable reliability standards and energy efficiency and peak demand reduction mandates; changes to environmental laws and regulations, including, but not limited to, those related to climate change; changing market conditions affecting the measurement of certain liabilities and the value of assets held in our pension trusts, or causing us to make contributions sooner, or in amounts that are larger, than currently anticipated; labor disruptions by our unionized workforce; changes to significant accounting policies; any changes in tax laws or regulations, or adverse tax audit results or rulings; and the risks and other factors discussed from time to time in our Securities and Exchange Commission ("SEC") filings. Dividends declared from time to time on FirstEnergy Corp.'s common stock and outstanding preferred stock, if any, during any period may in the aggregate vary from prior periods due to circumstances considered by FirstEnergy Corp.'s Board of Directors at the time of the actual declarations. A security rating is not a recommendation to buy or hold securities and is subject to revision or withdrawal at any time by the assigning rating agency. Each rating should be evaluated independently of any other rating. These forward-looking statements are also qualified by, and should be read together with, the risk factors included in FirstEnergy Corp.'s filings with the SEC, including, but not limited to, the most recent Annual Report on Form 10-K and any subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. The foregoing review of factors also should not be construed as exhaustive. New factors emerge from time to time, and it is not possible for management to predict all such factors, nor assess the impact of any such factor on FirstEnergy Corp.'s business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statements. FirstEnergy Corp. expressly disclaims any obligation to update or revise, except as required by law, any forward-looking statements contained herein or in the information incorporated by reference as a result of new information, future events or otherwise.

(021022)




# 4Q 2021 Strategic & Financial Highlights

Steven E. Strah, President and CEO
K. Jon Taylor, SVP, CFO & Strategy

# Forward-Looking Statements

Forward-Looking Statements: This presentation includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 based on information currently available to management. Such statements are subject to certain risks and uncertainties and readers are cautioned not to place undue reliance on these forward-looking statements. These statements include declarations regarding management's intents, beliefs and current expectations. These statements typically contain, but are not limited to, the terms "anticipate," "potential," "expect," "forecast," "target," "will," "intend," "believe," "project," "estimate," "plan" and similar words. 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the potential of non-compliance with debt covenants in our credit facilities; the risks and uncertainties associated with litigation, arbitration, mediation and similar proceedings; legislative and regulatory developments, including, but not limited to, matters related to rates, compliance and enforcement activity; the ability to accomplish or realize anticipated benefits from our FE Forward initiative and our other strategic and financial goals, including, but not limited to, overcoming current uncertainties and challenges associated with the ongoing government investigations, executing our transmission and distribution investment plans, greenhouse gas reduction goals, controlling costs, improving our credit metrics, growing earnings, strengthening our balance sheet, and satisfying the conditions necessary to close the sale of the minority interest in FirstEnergy Transmission, LLC; economic and weather conditions affecting future operating results, such as a recession, significant weather events and other natural disasters, and associated regulatory events or actions in response to such conditions; the risks associated with cyber-attacks and other disruptions to our, or our vendors', information technology system, which may compromise our operations, and data security breaches of sensitive data, intellectual property and proprietary or personally identifiable information; mitigating exposure for remedial activities associated with retired and formerly owned electric generation assets; the ability to access the public securities and other capital and credit markets in accordance with our financial plans, the cost of such capital and overall condition of the capital and credit markets affecting us, including the increasing number of financial institutions evaluating the impact of climate change on their investment decisions; the extent and duration of the COVID-19 pandemic and the related impacts to our business, operations and financial condition resulting from the outbreak of COVID-19 including, but not limited to, disruption of businesses in our territories, additional costs, workforce impacts and governmental and regulatory responses to the pandemic, such as moratoriums on utility disconnections and workforce vaccination mandates; the effectiveness of our pandemic and business continuity plans, the precautionary measures we are taking on behalf of our customers, contractors and employees, our customers' ability to make their utility payment and the potential for supply-chain disruptions; actions that may be taken by credit rating agencies that could negatively affect either our access to or terms of financing or our financial condition and liquidity; changes in assumptions regarding factors such as economic conditions within our territories, the reliability of our transmission and distribution system, or the availability of capital or other resources supporting identified transmission and distribution investment opportunities; changes in customers' demand for power, including, but not limited to, the impact of climate change or energy efficiency and peak demand reduction mandates; changes in national and regional economic conditions, including recession and inflationary pressure, affecting us and/or our customers and those vendors with which we do business; the ability to comply with applicable reliability standards and energy efficiency and peak demand reduction mandates; changes to environmental laws and regulations, including, but not limited to, those related to climate change; changing market conditions affecting the measurement of certain liabilities and the value of assets held in our pension trusts, or causing us to make contributions sooner, or in amounts that are larger, than currently anticipated; labor disruptions by our unionized workforce; changes to significant accounting policies; any changes in tax laws or regulations, or adverse tax audit results or rulings; and the risks and other factors discussed from time to time in our Securities and Exchange Commission ("SEC") filings. Dividends declared from time to time on FirstEnergy Corp.'s common stock and outstanding preferred stock, if any, during any period may in the aggregate vary from prior periods due to circumstances considered by FirstEnergy Corp.'s Board of Directors at the time of the actual declarations. A security rating is not a recommendation to buy or hold securities and is subject to revision or withdrawal at any time by the assigning rating agency. Each rating should be evaluated independently of any other rating.

These forward-looking statements are also qualified by, and should be read together with, the risk factors included in FirstEnergy Corp.'s filings with the SEC, including, but not limited to, the most recent Annual Report on Form 10-K and any subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K. The foregoing review of factors also should not be construed as exhaustive. New factors emerge from time to time, and it is not possible for management to predict all such factors, nor assess the impact of any such factor on FirstEnergy Corp.'s business or the extent to which any factor, or combination of factors, may cause results to differ materially from those contained in any forward-looking statements. FirstEnergy Corp. expressly disclaims any obligation to update or revise, except as required by law, any forward-looking statements contained herein or in the information incorporated by reference as a result of new information, future events or otherwise.

# Non-GAAP Financial Matters

This presentation contains references to non-GAAP financial measures including, among others, Operating earnings (loss), Operating earnings (loss) per share (EPS), and Operating earnings (loss) per share (EPS) by segment. Generally, a non-GAAP financial measure is a numerical measure of a company's historical or future financial performance, financial position, or cash flows that either excludes or includes amounts that are not normally excluded or included in the most directly comparable measure calculated and presented in accordance with accounting principles generally accepted in the United States (GAAP). Operating earnings (loss), Operating earnings (loss) per share, and Operating earnings (loss) per share by segment are not calculated in accordance with GAAP to the extent they exclude the impact of "special items." Special items represent charges incurred or benefits realized that management believes are not indicative of, or may obscure trends useful in evaluating the Company's ongoing core activities and results of operations or otherwise warrant separate classification. Special items are not necessarily non-recurring. Management cannot estimate on a forward-looking basis the impact of these items in the context of long-term annual operating EPS growth rate projections because these items, which could be significant, are difficult to predict and may be highly variable. Consequently, the Company is unable to reconcile long-term annual operating EPS growth projections to a GAAP measure without unreasonable effort.

Basic (GAAP) EPS and Operating EPS and Basic (GAAP) EPS and Operating EPS for each segment are calculated by dividing Operating earnings (loss), which excludes special items as discussed above, for the periods presented by 542 million shares for full year 2020, 543 million shares for fourth quarter of 2020, 545 million shares for full year 2021, 550 million shares for the fourth quarter of 2021, and 571 million shares for the first quarter and full year 2022.

Management uses non-GAAP financial measures such as Operating earnings (loss), and Operating earnings (loss) per share to evaluate the Company's performance and manage its operations and frequently references these non-GAAP financial measures in its decision-making, using them to facilitate historical and ongoing performance comparisons. Additionally, management uses Operating earnings (loss) per share by segment to further evaluate the Company's performance by segment and references this non-GAAP financial measure in its decision-making. Management believes that the non-GAAP financial measures of Operating earnings (loss), Operating earnings (loss) per share and Operating earnings (loss) per share by segment provide consistent and comparable measures of performance of its businesses on an ongoing basis. Management also believes that such measures are useful to shareholders and other interested parties to understand performance trends and evaluate the Company against its peer group by presenting period-over-period operating results without the effect of certain charges or benefits that may not be consistent or comparable across periods or across the Company's peer group. All of these non-GAAP financial measures are intended to complement, and are not considered as alternatives to, the most directly comparable GAAP financial measures. Also, the non-GAAP financial measures may not be comparable to similarly titled measures used by other entities.

Pursuant to the requirements of Regulation G, FE has provided, where possible without unreasonable effort, quantitative reconciliations within this presentation of the non-GAAP financial measures to the most directly comparable GAAP financial measures.

# Moving FirstEnergy Forward

Steve Strah, President and CEO



**Focus for Today's Call:**

- Our transformation – foundational changes
- Key updates and priorities
- Long-term, sustainable growth
- Strong financial & operating results

**Reported** 4Q21 GAAP EPS of $0.77 and Operating (non-GAAP) EPS of $0.51

**Reported** 2021 GAAP EPS of $2.35 and Operating (non-GAAP) EPS of $2.60

**Updating** 2022 GAAP EPS forecast to $2.41-$2.61

**Reaffirming** 2022 Operating (non-GAAP) EPS guidance of $2.30-$2.50

**Reaffirming** long-term annual Operating EPS growth rate of 6%-8%

**Introducing** 2022 Cash From Operations guidance of $2.6B-$3.0B

**Note:** Reconciliations between GAAP and Operating (non-GAAP) earnings and detailed information is available in the Earnings Supplement and Quarterly Support sections of the Strategic & Financial Highlights



FirstEnergy

# The **New** FirstEnergy

- **We are building a culture** where all of us feel valued and understand the importance of doing what is right
  - Ensuring the best interests of our customers, stakeholders and the environment
  - Developing an inclusive and safe culture where all employees feel empowered
  - Demonstrating a commitment to innovation and a mindset of continuous improvement
- Our employees have **risen to every challenge** and shown true character



We are dedicated to helping to restore trust and pride in FirstEnergy by building a company grounded in an unwavering culture of compliance, ethics, integrity, and accountability at every level

# **FE Forward**: Transforming how we operate

- We are **investing in innovation, digital tools and technologies** to work more safely and efficiently, deliver an exceptional customer experience, and unlock growth opportunities embedded in the energy transition
  - Five-state operating model with centrally driven best practices and processes
  - Providing customers with enhanced communications and self-service options
  - Using data and analytics to drive better decisions around our assets, sourcing and inventory
  - Improving productivity through system integration, automation and mobility tools
- We're enabling this transformation, in part, through our **innovation center** and **digital factory**
  - Now led by our new Chief Information Officer, Steve Fortune (former Group CIO at BP)
- We recognize **this is a journey** and confident in our team's ability to execute and meet our commitments, as they did throughout 2021

**650+** FirstEnergy employees leading change initiatives across the organization

**ALL** FirstEnergy Business Units and employee levels represented

**8** **WORKSTREAMS** including T&D Ops, Customer, IT, Supply Chain, Compliance, Org Health, Support Functions and Generation

**$150M** planned investments into the program

# Strategic Updates

- In November, announced $3.4B transformational equity financing transactions
  - Strengthened credit profile and eliminates all non SIP/DRIP equity needs
  - Supports incremental investment opportunities that support the energy transition
  - Key catalyst for long-term, sustainable growth
  - Demonstrates confidence in our business plan, team, and vision for long-term customer-focused growth

| | $1B Equity | $2.4B Minority Interest Sale |
|---|---|---|
| **Transaction** | **25.6M shares** of FE common stock at $39.08 per share | **19.9% stake sale of FET, LLC** (parent of ATSI, MAIT, and TrAILCo) |
| **Investor** | **Blackstone Infrastructure Partners** | **Brookfield Super-Core Infrastructure Partners** |
| **Governance** | Appointed Sean Klimczak, Global Head of Infrastructure, to serve as a Board Observer<br>– We expect to nominate a director candidate recommended by Blackstone to join FE's Board at our 2022 Shareholders' meeting | Receives certain minority governance rights commensurate with its 19.9% minority interest |
| **Timeline & Approvals** | Sale closed in December 2021 | Expect to close in 2Q 2022; requires FERC approval and CFIUS clearance |

- In December, received PUCO approval of a unanimous settlement with Ohio stakeholders
  - The $306 million settlement benefits our Ohio customers, provides clarity around a wide range of topics, and demonstrates our commitment to working openly and collaboratively with our stakeholders



FirstEnergy

# Strategic Updates (continued)

- Continue to make substantial progress in resolving outstanding litigation
- We announced yesterday that, in conjunction with the Special Litigation Committee of the Board of Directors, the company agreed to a settlement to resolve multiple shareholder derivative lawsuits in Ohio
  - Because these are shareholder derivative suits brought on behalf of the company and for the company's benefit, the settlement includes a payment to FirstEnergy of $180M, less plaintiffs' legal fees, to be paid by insurance
  - The settlement also stipulates a series of corporate governance enhancements and complement the substantial actions we have taken to strengthen our governance and compliance program
    - Enhanced oversight and disclosure of political activities, third-party audits and action plans
    - A review of the current executive team to be conducted by a special Board committee
    - Further alignment of financial incentives of senior executives with compliance measures
    - Six members of the Board, who have served for 5+ years, will not stand for re-election at the 2022 annual shareholder meeting
  - Upon court approval, this settlement fully resolves the derivative actions
- We had been evaluating various options to reduce the size of the Board, following the addition of seven new directors in 2021, with an eighth from Blackstone to be appointed at the 2022 annual meeting
  - The Board will continue to comprise an impressive mix of skills, focus areas, and perspectives as it guides our company through our next phase of growth

# Additional Updates

## Ohio

- Continue progress on the expanded DCR audit, DMR audit, and Corporate Separation audits
  - Audit reports have been filed in all cases

## West Virginia

- In November, filed plan to build 50 MW of utility-scale solar generation
- In December, filed ELG plan to comply with environmental rules and responsibly operate our two remaining fossil plants beyond 2028
- Intend to begin a broad stakeholder dialogue regarding our planned operational end dates for Fort Martin (2035) and Harrison (2040)

## 2022 Regulatory Strategy

- Focused on supporting key strategic initiatives
- Preparing for future rate case activity:
  - West Virginia (2023)
  - Maryland (2023)
  - New Jersey (likely 2023)
  - Ohio (2024)

## Continued Focus on Culture

- Building a more centralized and robust Ethics & Compliance program
  - Multiple channels for incident reporting
  - Thorough and objective processes to investigate and address incidents of misconduct
  - Continuous improvement
  - Employee trainings (e.g. Code of Conduct, Speak Up sessions)
- Ongoing commitment to more diverse, equitable and inclusive work environment

As we look to the future, I believe our company will emerge as a premier utility and a leader in our industry



FirstEnergy

# 4Q 2021 Earnings Summary

## Jon Taylor, SVP, CFO and Strategy



- Reported 4Q 2021 GAAP earnings of $0.77 per share vs. $0.45 per share in 4Q20
  - 4Q 2021 results include $0.26 of special items, including mark-to-market gains – pension/OPEB actuarial assumptions +$0.47, exit of generation +$0.08, regulatory charges ($0.22), and investigation and other related costs ($0.07)
- Reported 4Q 2021 Operating (non-GAAP) earnings of $0.51 per share vs. $0.32 per share in 4Q20
- We continue to see encouraging weather-adjusted load trends

| Class | 4Q21 vs. 4Q20 | 4Q21 vs. 4Q19 | TTM vs. 2019 | Commentary |
|---|---|---|---|---|
| Residential | -1.5% | +2.3% | +3.9% | Volumes remain well above pre-pandemic levels |
| Commercial | +1.4% | -2.8% | -5.2% | Volumes below pre-pandemic levels but trending in the right direction |
| Industrial | +3.3% | -1.8% | -2.9% | |
| **Total** | **+1.0%** | **-0.6%** | **-1.0%** | |

### Quarter-over-Quarter Operating EPS Summary




### Vs. 4Q Guidance Midpoint

(Implied Range: $0.45 - $0.55)

- Continued to deliver on our regulated growth strategy

**Note:** Reconciliations between GAAP and Operating (non-GAAP) earnings and detailed information is available in the Earnings Supplement and Quarterly Support sections of the Strategic & Financial Highlights



FirstEnergy

# 2021 Earnings Summary

- Reported 2021 GAAP earnings of $2.35 per share vs. $1.99 per share in 2020
  - 2021 results include ($0.25) of special items, including mark-to-market gains – pension/OPEB actuarial assumptions +$0.48, exit of generation +$0.19, investigation and other related costs ($0.58), regulatory charges ($0.30), state tax legislative changes ($0.02), FE Forward cost to achieve ($0.01), and asset impairments ($0.01)
- Reported 2021 Operating (non-GAAP) earnings of $2.60 per share vs. $2.39 per share in 2020
  - Year-over-year EPS growth of 9%
- Generated $2.8B in Cash from Operations
  - $200M above original 2021 guidance; higher than midpoint of revised range
  - Includes ~$300M of non-recurring payments, such as the payment under the Deferred Prosecution Agreement

## Year-over-Year Operating EPS Summary




## Vs. Guidance

Original Guidance: $2.40-$2.60
Revised (3Q21 Earnings): $2.55-$2.65

- Delivered on our regulated growth strategy
- Better than expected mix of weather-adjusted sales

**Note:** Reconciliations between GAAP and Operating (non-GAAP) earnings and detailed information is available in the Earnings Supplement and Quarterly Support sections of the Strategic & Financial Highlights



FirstEnergy

# Financial Updates

- In November 2021, outlined our financial plan through 2025

| $17B | 6 - 8% | 6% | 13% | NO EQUITY NEEDS[1] | **Significant investment opportunities:** |
|---|---|---|---|---|---|
| Sustainable Investment Plan (2021-2025) | Long-Term Operating EPS Growth (Average Annual) | Cash From Operations Growth (2021-2025) | FFO-to-Debt Target (by 2024) | SIP/DRIP programs up to ~$100M annually | Grid mod, resiliency, energy efficiency, clean energy transition, base reliability, and electrification |

[1] Beyond previously announced $3.4B transactions announced in 2021

- Plan to make further balance sheet improvements

**Lowering FE Corp debt**

- Redeemed $850M (1/20/2022)
- $500M (expiring July 2022)

**Recapitalizing Ohio Utilities**

- Issued redemption notices for $150M (CEI) and $25M (TE)

**Further improvement**

- Considering additional options and market conditions to optimize our balance sheet, including:
  - FE Corp. debt reductions
  - Further optimizing utility capital structures to fund investments
  - Voluntary pension contributions

- Achieved 11.5% FFO/Debt in 2021; remain well positioned to achieve 13% by 2024
  - Based on Moody's methodology and excludes non-recurring payments of ~$300M and nets ~$1.5B year-end cash position with debt
- Qualified pension funded status improved to 82% at YE 2021; current estimate of 83%



FirstEnergy

# Financial Updates (continued)

## FE Forward Update

- Continuing our focus on cash flow through FE Forward
- Despite unprecedented supply chain challenges, investing in our supply chain function
- Focused on innovating and transformation; streamlining processes, improving productivity, driving cash flow improvements, and mitigating risks
- Expect reduction in base O&M of at least 1% annually *(from 2022 baseline of $1.4B)*




## 2022 Financial Commitments

| | |
|---|---|
| Operating (Non-GAAP) Earnings | $2.30-$2.50/sh |
| Cash From Operations guidance | $2.6-$3.0B |
| Investment plan | $3.3B |
| Annual dividend (subject to Board approval) | $1.56/sh |

- Successfully close on the FET minority interest sale
- Continue balance sheet improvement
  - 13% FFO-to-Debt by 2024
  - Targeting mid-teens thereafter

**1Q22 Earnings Guidance**
- **GAAP EPS forecast: $0.50-$0.60/sh**
- **Operating (non-GAAP) EPS: $0.55-$0.65/sh**

**Note:** Reconciliations between GAAP and Operating (non-GAAP) earnings and detailed information is available in the Earnings Supplement and Quarterly Support sections of the Strategic & Financial Highlights

**Building a long-term, sustainable company and culture, centered on our core values**



FirstEnergy

# Earnings Supplement to the Financial Community

## TABLE OF CONTENTS

(Slide)


15. 4Q Earnings Summary and Reconciliation
16. 4Q Earnings Drivers by Segment
17. Full Year Earnings Summary and Reconciliation
18. Full Year Earnings Drivers by Segment
19. Special Items Descriptions
20. 4Q 2021 Earnings Results
21. 4Q 2020 Earnings Results
22. Quarter-over-Quarter Earnings Comparison
23. Full Year 2021 Earnings Results
24. Full Year 2020 Earnings Results
25. Year-over-Year Earnings Comparison
26. Condensed Consolidated Balance Sheets
27. Condensed Consolidated Statements of Cash Flows





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## Quarterly Summary

| | 4Q 2021 | 4Q 2020 | Change |
|---|---|---|---|
| **GAAP Earnings (Loss) Per Basic Share** | **$0.77** | **$0.45** | **$0.32** |
| Special Items | $(0.26) | $(0.13) | $(0.13) |
| **Operating (Non-GAAP) Earnings Per Share** | **$0.51** | **$0.32** | **$0.19** |

## Quarterly Reconciliation

| EPS Variance Analysis (in millions, except per share amounts) | Regulated Distribution | Regulated Transmission | Corporate / Other | FirstEnergy Corp. Consolidated |
|---|---|---|---|---|
| **4Q 2020 Net Income (Loss) (GAAP)** | **$159** | **$118** | **$(35)** | **$242** |
| **4Q 2020 Basic Earnings (Loss) Per Share - GAAP (avg. shares outstanding 543M)** | **$0.29** | **$0.22** | **$(0.06)** | **$0.45** |
| **Special Items - 2020** | | | | |
| Mark-to-market adjustments - Pension/OPEB actuarial assumptions | 0.06 | — | (0.05) | 0.01 |
| Exit of generation | (0.06) | — | (0.08) | (0.14) |
| Total Special Items - 4Q 2020 | — | — | (0.13) | (0.13) |
| **4Q 2020 Operating Earnings (Loss) Per Share - Non-GAAP** | **$0.29** | **$0.22** | **$(0.19)** | **$0.32** |
| Rates & Investments | 0.02 | 0.01 | — | 0.03 |
| Customer Demand | (0.03) | — | — | (0.03) |
| Ohio Decoupling / LDR Charge | 0.13 | — | — | 0.13 |
| O&M / Pension Expenses | (0.01) | — | 0.03 | 0.02 |
| Net Financing Costs | — | (0.01) | — | (0.01) |
| Effective Tax Rate | — | — | 0.05 | 0.05 |
| Other | — | (0.02) | 0.02 | — |
| **4Q 2021 Operating Earnings (Loss) Per Share - Non-GAAP** | **$0.40** | **$0.20** | **$(0.09)** | **$0.51** |
| **Special Items - 2021** | | | | |
| Regulatory charges | (0.22) | — | — | (0.22) |
| Exit of generation | (0.02) | — | 0.10 | 0.08 |
| Investigation and other related costs | — | — | (0.07) | (0.07) |
| Mark-to-market adjustments - Pension/OPEB actuarial assumptions | 0.36 | — | 0.11 | 0.47 |
| Total Special Items - 4Q 2021 | 0.12 | — | 0.14 | 0.26 |
| **4Q 2021 Basic Earnings (Loss) Per Share - GAAP (avg. shares outstanding 550M)** | **$0.52** | **$0.20** | **$0.05** | **$0.77** |
| **4Q 2021 Net Income (Loss) (GAAP)** | **$285** | **$113** | **$29** | **$427** |

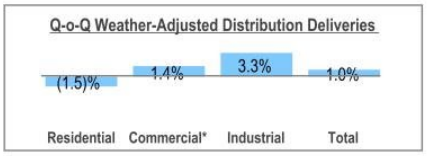
Per share amounts for the special items and earnings drivers above and throughout this presentation are based on the after-tax effect of each item divided by the number of shares outstanding for the period. The current and deferred income tax effect was calculated by applying the subsidiaries' statutory tax rate to the pre-tax amount if deductible/taxable. The income tax rates range from 21% to 29% in the fourth quarter of 2021 and 2020.

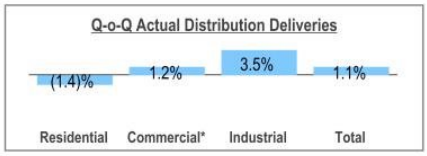
Note: Refer to slide 3 for information on Non-GAAP Financial Matters.

## Earnings Drivers: 4Q 2021 vs. 4Q 2020

### Regulated Distribution (RD)

- **Rates & Investments:** Implementation of the NJ distribution base rate case and higher rider revenue from capital investment programs increased earnings by $0.02 per share.
- **Customer Demand:** Lower weather-adjusted demand decreased earnings by $0.03 per share, due to lower residential demand, partially offset by higher commercial and industrial demand.




- **Ohio Decoupling / LDR Charge:** The absence of the charge recognized in 4Q 2020 associated with termination of decoupling revenues, including lost distribution revenues, increased earnings by $0.13 per share.
- **O&M / Pension Expenses:** Higher expenses decreased earnings by $0.01 per share, due to higher O&M expenses associated with strategic investments to enhance reliability of $0.04 per share, partially offset by lower net pension/OPEB expense of $0.03 per share.
- **Special Items:** In the fourth quarter of 2021 and 2020, special items totaled ($0.12) per share and $0.00 per share, respectively.

### Regulated Transmission (RT)

- **Rates & Investments:** Formula rate base growth of ~7% increased earnings by $0.01 per share.
- **Net Financing Costs:** Higher interest expense decreased earnings by $0.01, primarily due to the $500M long-term debt issuance at FET, LLC in March 2021.
- **Other:** The impact of a higher 2020 peak load at WPP, MP, and PE decreased earnings by $0.02 per share.

### Corporate / Other (Corp)

- **O&M / Pension Expenses:** Lower expenses increased results $0.03 per share due to lower corporate support costs.
- **Effective Tax Rate**: Higher discrete income tax benefits increased results $0.05 per share.
- **Other:** Higher earnings on investments increased results by $0.02 per share.
- **Special Items:** In the fourth quarter of 2021 and 2020, special items totaled ($0.14) per share and ($0.13) per share, respectively.

*Commercial includes street lighting

## Full Year Summary

| | 2021 | 2020 | Change |
|---|---|---|---|
| **GAAP Earnings Per Basic Share** | **$2.35** | **$1.99** | **$0.36** |
| Special Items | $0.25 | $0.40 | $(0.15) |
| **Operating (Non-GAAP) Earnings Per Share** | **$2.60** | **$2.39** | **$0.21** |

## Full Year Reconciliation

| EPS Variance Analysis (in millions, except per share amounts) | Regulated Distribution | Regulated Transmission | Corporate / Other | FirstEnergy Corp. Consolidated |
|---|---|---|---|---|
| **2020 Net Income (Loss) (GAAP)** | **$959** | **$464** | **$(344)** | **$1,079** |
| **2020 Basic Earnings (Loss) Per Share (avg. shares outstanding 542M)** | **$1.77** | **$0.86** | **$(0.64)** | **$1.99** |
| **Special Items - 2020** | | | | |
| Mark-to-market adjustments - Pension/OPEB actuarial assumptions | 0.44 | — | 0.16 | 0.60 |
| Regulatory charges | 0.01 | — | — | 0.01 |
| Exit of generation | (0.16) | — | (0.05) | (0.21) |
| Total Special Items - 2020 | 0.29 | — | 0.11 | 0.40 |
| **2020 Operating Earnings (Loss) Per Share - Non-GAAP** | **$2.06** | **$0.86** | **$(0.53)** | **$2.39** |
| Rates & Investments | 0.11 | 0.05 | — | 0.16 |
| Customer Demand | 0.06 | — | — | 0.06 |
| Ohio Decoupling | (0.04) | — | — | (0.04) |
| O&M / Pension Expense | 0.10 | — | 0.02 | 0.12 |
| Net Financing Costs | (0.02) | (0.05) | (0.04) | (0.11) |
| Effective Tax Rate | — | — | 0.03 | 0.03 |
| Other | (0.02) | (0.03) | 0.04 | (0.01) |
| **2021 Operating Earnings (Loss) Per Share - Non-GAAP** | **$2.25** | **$0.83** | **$(0.48)** | **$2.60** |
| **Special Items - 2021** | | | | |
| Regulatory charges | (0.22) | (0.08) | — | (0.30) |
| Asset impairments | — | — | (0.01) | (0.01) |
| Exit of generation | (0.02) | — | 0.21 | 0.19 |
| State tax legislative changes | — | — | (0.02) | (0.02) |
| Investigation and other related costs | — | — | (0.58) | (0.58) |
| FE Forward cost to achieve | (0.01) | — | — | (0.01) |
| Mark-to-market adjustments - Pension/OPEB actuarial assumptions | 0.36 | — | 0.12 | 0.48 |
| Total Special Items - 2021 | 0.11 | (0.08) | (0.28) | (0.25) |
| **2021 Basic Earnings (Loss) Per Share (avg. shares outstanding 545M)** | **$2.36** | **$0.75** | **$(0.76)** | **$2.35** |
| **2021 Net Income (Loss) (GAAP)** | **$1,288** | **$408** | **$(413)** | **$1,283** |

Per share amounts for the special items and earnings drivers above and throughout this presentation are based on the after-tax effect of each item divided by the number of shares outstanding for the period. The current and deferred income tax effect was calculated by applying the subsidiaries' statutory tax rate to the pre-tax amount if deductible/taxable. The income tax rates range from 21% to 29% in 2021 and 2020.

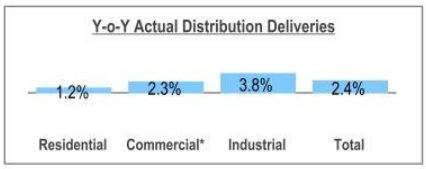
Note: Refer to slide 3 for information on Non-GAAP Financial Matters.

## Earnings Drivers: Full Year 2021 vs. Full Year 2020

### Regulated Distribution (RD)

- **Rates & Investments:** The implementation of the NJ distribution base rate case and higher rider revenues from capital investment programs in OH and PA increased earnings by $0.11 per share.
- **Customer Demand:** Higher demand increased earnings by $0.06 per share, due to a combination of higher weather-adjusted and weather-related demand.




- **Ohio Decoupling:** The absence of decoupling revenues decreased earnings by $0.04 per share.
- **O&M / Pension Expenses:** Lower expenses increased earnings by $0.10 per share, primarily due to lower net pension/OPEB expense.
- **Net Financing Costs:** Higher interest expense decreased earnings by $0.02 per share, primarily from increased short-term borrowings in the first half of 2021.
- **Other:** Other expenses decreased earnings by $0.02 per share, primarily due to higher depreciation expense.
- **Special Items:** In 2021 and 2020, special items totaled ($0.11) per share and $0.29 per share, respectively.

### Regulated Transmission (RT)

- **Rates & Investments:** Formula rate base growth of ~7% increased earnings by $0.05 per share.
- **Net Financing Costs:** Higher interest expense from short-term borrowings and higher long-term debt decreased earnings by $0.05 per share.
- **Other:** Other items decreased earnings by $0.03 per share, primarily due to prior year formula true-ups.
- **Special Items:** In 2021, special items totaled $0.08 per share.

### Corporate / Other (Corp)

- **O&M / Pension Expenses:** Lower expenses increased results by $0.02 per share, due to lower corporate support costs.
- **Net Financing Costs:** Higher interest expense due to increased long-term debt and coupon step-up on certain FE Hold Co. notes decreased results by $0.04 per share.
- **Effective Tax Rate**: Higher discrete income tax benefits increased results $0.03 per share.
- **Other:** Higher earnings on investments increased results by $0.04 per share.
- **Special Items:** In 2021 and 2020, special items totaled $0.28 per share and $0.11 per share, respectively.

*Commercial includes street lighting

## Special Items Descriptions

- **Regulatory charges:** Primarily reflects the impact of regulatory agreements, concessions or orders requiring certain commitments and/or disallowing the recoverability of costs, net of related credits.
- **Debt-related costs:** Primarily reflects costs associated with the redemption and early retirement of debt and amendments to revolving credit facilities.
- **Asset impairments:** Primarily reflects charges resulting from non-cash asset impairments.
- **Exit of generation:** Primarily reflects charges or credits resulting from the transfer of Three Mile Island Unit 2, exit of competitive operations, including retired generation facilities and adjustments related to the Energy Harbor bankruptcy settlement, and restructuring and strategic review costs.
- **State tax legislative changes:** Primarily reflects charges resulting from state tax legislative changes.
- **FE Forward cost to achieve:** Primarily reflects certain advisory costs incurred to transform the Company for the future.
- **Investigation and other related costs:** Primarily reflects the DPA penalty, litigation settlements and other legal and advisory expenses related to the government investigations.
- **Mark-to-market adjustments - Pension/OPEB actuarial assumptions:** Reflects the change in fair value of plan assets and net actuarial gains and losses associated with the Company's pension and other post-employment benefit plans.

Note: Special items represent charges incurred or benefits realized, including share dilution, that management believes are not indicative of, or may obscure trends useful in evaluating, the Company's ongoing core activities and results of operations or otherwise warrant separate classification. Special items are not necessarily non-recurring.

## 4th Quarter 2021

| | (in millions, except for per share amounts) | GAAP | | | | Special Items | | | | Operating (Non-GAAP) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | RD | RT | Corp | FE | RD | RT | Corp | FE | RD | RT | Corp | FE |
| (1) | Electric sales | $ 2,268 | $ 385 | $ (37) | $ 2,616 | $ — | $ — | $ — | $ — | $ 2,268 | $ 385 | $ (37) | $ 2,616 |
| (2) | Other | 56 | — | (12) | 44 | — | — | — | — | 56 | — | (12) | 44 |
| (3) | Total Revenues | 2,324 | 385 | (49) | 2,660 | — | — | — | — | 2,324 | 385 | (49) | 2,660 |
| (4) | Fuel | 119 | — | — | 119 | — | — | — | — | 119 | — | — | 119 |
| (5) | Purchased power | 755 | — | 3 | 758 | — | — | — | — | 755 | — | 3 | 758 |
| (6) | Other operating expenses | 796 | 80 | (6) | 870 | — | 2 (b) | (53) (a)(c) | (51) | 796 | 82 | (59) | 819 |
| (7) | Provision for depreciation | 227 | 85 | 18 | 330 | — | — | — | — | 227 | 85 | 18 | 330 |
| (8) | Amortization (deferral) of regulatory assets, net | 101 | (3) | — | 98 | (157) (b) | — | — | (157) | (56) | (3) | — | (59) |
| (9) | General taxes | 190 | 62 | 9 | 261 | — | — | — | — | 190 | 62 | 9 | 261 |
| (10) | Total Operating Expenses | 2,188 | 224 | 24 | 2,436 | (157) | 2 | (53) | (208) | 2,031 | 226 | (29) | 2,228 |
| (11) | Operating Income (Loss) | 136 | 161 | (73) | 224 | 157 | (2) | 53 | 208 | 293 | 159 | (20) | 432 |
| (12) | Miscellaneous income, net | 102 | 7 | 29 | 138 | — | — | — | — | 102 | 7 | 29 | 138 |
| (13) | Pension and OPEB mark-to-market adjustment | 270 | 31 | 81 | 382 | (270) (d) | — | (81) (d) | (351) | — | 31 | — | 31 |
| (14) | Interest expense | (131) | (62) | (93) | (286) | 1 (e) | 1 (e) | — | 2 | (130) | (61) | (93) | (284) |
| (15) | Capitalized financing costs | 11 | 10 | — | 21 | — | — | — | — | 11 | 10 | — | 21 |
| (16) | Total Other Expense | 252 | (14) | 17 | 255 | (269) | 1 | (81) | (349) | (17) | (13) | (64) | (94) |
| (17) | Income (Loss) Before Income Taxes (Benefits) | 388 | 147 | (56) | 479 | (112) | (1) | (28) | (141) | 276 | 146 | (84) | 338 |
| (18) | Income taxes (benefits) | 103 | 34 | (88) | 49 | (45) (b)-(e) | — (b)(e) | 55 (a)(c)(d) | 10 | 58 | 34 | (33) | 59 |
| (19) | Income (Loss) From Continuing Operations | 285 | 113 | 32 | 430 | (67) | (1) | (83) | (151) | 218 | 112 | (51) | 279 |
| (20) | Discontinued operations, net of tax | — | — | (3) | (3) | — | — | 3 (c) | 3 | — | — | — | — |
| (21) | Net Income (Loss) | 285 | 113 | 29 | 427 | (67) | (1) | (80) | (148) | 218 | 112 | (51) | 279 |
| (22) | Average Shares Outstanding | | 550 | | | | 550 | | | | 550 | | |
| (23) | Earnings (Loss) per Share | $ 0.52 | $ 0.20 | $ 0.05 | $ 0.77 | $ (0.12) | $ — | $ (0.14) | $ (0.26) | $ 0.40 | $ 0.20 | $ (0.09) | $ 0.51 |

| **Special Items (after-tax impact):** | | | | |
|---|---|---|---|---|
| (a) Investigation and other related costs | $ — | $ — | $ 37 | $ 37 |
| (b) Regulatory charges | 118 | (2) | — | 116 |
| (c) Exit of generation | 11 | — | (54) | (43) |
| (d) Mark-to-market - Pension/OPEB | (197) | — | (63) | (260) |
| (e) Debt-related costs | 1 | 1 | — | 2 |
| Impact to Earnings | $ (67) | $ (1) | $ (80) | $ (148) |



FirstEnergy

## 4th Quarter 2020

| | (in millions, except for per share amounts) | GAAP | | | | Special Items | | | | Operating (Non-GAAP) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | RD | RT | Corp | FE | RD | RT | Corp | FE | RD | RT | Corp | FE |
| (1) | Electric sales | $ 2,099 | $ 428 | $ (34) | $ 2,493 | $ — | $ — | $ — | $ — | $ 2,099 | $ 428 | $ (34) | $ 2,493 |
| (2) | Other | 57 | 4 | (17) | 44 | — | — | — | — | 57 | 4 | (17) | 44 |
| (3) | Total Revenues | 2,156 | 432 | (51) | 2,537 | — | — | — | — | 2,156 | 432 | (51) | 2,537 |
| (4) | Fuel | 93 | — | — | 93 | — | — | — | — | 93 | — | — | 93 |
| (5) | Purchased power | 625 | — | 3 | 628 | — | — | — | — | 625 | — | 3 | 628 |
| (6) | Other operating expenses | 833 | 81 | (39) | 875 | — | — | (1) [a] | (1) | 833 | 81 | (40) | 874 |
| (7) | Provision for depreciation | 224 | 80 | 16 | 320 | — | — | — | — | 224 | 80 | 16 | 320 |
| (8) | Amortization of regulatory assets, net | (32) | 5 | — | (27) | (12) [a] | — | — | (12) | (44) | 5 | — | (39) |
| (9) | General taxes | 187 | 55 | 12 | 254 | — | — | — | — | 187 | 55 | 12 | 254 |
| (10) | Total Operating Expenses | 1,930 | 221 | (8) | 2,143 | (12) | — | (1) | (13) | 1,918 | 221 | (9) | 2,130 |
| (11) | Operating Income (Loss) | 226 | 211 | (43) | 394 | 12 | — | 1 | 13 | 238 | 211 | (42) | 407 |
| (12) | Miscellaneous income, net | 86 | 9 | 34 | 129 | (6) [a] | — | (14) [a] | (20) | 80 | 9 | 20 | 109 |
| (13) | Pension and OPEB mark-to-market adjustment | (66) | (21) | 33 | (54) | 66 [b] | — | (33) [b] | 33 | — | (21) | — | (21) |
| (14) | Interest expense | (127) | (57) | (89) | (273) | — | — | — | — | (127) | (57) | (89) | (273) |
| (15) | Capitalized financing costs | 9 | 11 | — | 20 | — | — | — | — | 9 | 11 | — | 20 |
| (16) | Total Other Expense | (98) | (58) | (22) | (178) | 60 | — | (47) | 13 | (38) | (58) | (69) | (165) |
| (17) | Income (Loss) Before Income Taxes (Benefits) | 128 | 153 | (65) | 216 | 72 | — | (46) | 26 | 200 | 153 | (111) | 242 |
| (18) | Income taxes (benefits) | (31) | 35 | — | 4 | 72 [a] [b] | — | (7) [a] [b] | 65 | 41 | 35 | (7) | 69 |
| (19) | Income (Loss) From Continuing Operations | 159 | 118 | (65) | 212 | — | — | (39) | (39) | 159 | 118 | (104) | 173 |
| (20) | Discontinued operations, net of tax | — | — | 30 | 30 | — | — | (30) [a] | (30) | — | — | — | — |
| (21) | Net Income (Loss) | 159 | 118 | (35) | 242 | — | — | (69) | (69) | 159 | 118 | (104) | 173 |
| (22) | Average Shares Outstanding | 543 | | | | 543 | | | | 543 | | | |
| (23) | Earnings (Loss) per Share | $ 0.29 | $ 0.22 | $ (0.06) | $ 0.45 | $ — | $ — | $ (0.13) | $ (0.13) | $ 0.29 | $ 0.22 | $ (0.19) | $ 0.32 |

**Special Items (after-tax impact):**

| | | | | |
|---|---|---|---|---|
| (a) Exit of generation | $ (35) | $ — | $ (41) | $ (76) |
| (b) Mark-to-market adjustments - Pension/OPEB | 35 | — | (28) | 7 |
| Impact to Earnings | $ — | $ — | $ (69) | $ (69) |



FirstEnergy

## 4th Quarter 2021 vs 4th Quarter 2020

| | (in millions, except for per share amounts) | GAAP | | | | Special Items | | | | Operating (Non-GAAP) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | RD | RT | Corp | FE | RD | RT | Corp | FE | RD | RT | Corp | FE |
| (1) | Electric sales | $ 169 | $ (43) | $ (3) | $ 123 | $ — | $ — | $ — | $ — | $ 169 | $ (43) | $ (3) | $ 123 |
| (2) | Other | (1) | (4) | 5 | — | — | — | — | — | (1) | (4) | 5 | — |
| (3) | Total Revenues | 168 | (47) | 2 | 123 | — | — | — | — | 168 | (47) | 2 | 123 |
| (4) | Fuel | 26 | — | — | 26 | — | — | — | — | 26 | — | — | 26 |
| (5) | Purchased power | 130 | — | — | 130 | — | — | — | — | 130 | — | — | 130 |
| (6) | Other operating expenses | (37) | (1) | 33 | (5) | — | 2 | (52) | (50) | (37) | 1 | (19) | (55) |
| (7) | Provision for depreciation | 3 | 5 | 2 | 10 | — | — | — | — | 3 | 5 | 2 | 10 |
| (8) | Amortization of regulatory assets, net | 133 | (8) | — | 125 | (145) | — | — | (145) | (12) | (8) | — | (20) |
| (9) | General taxes | 3 | 7 | (3) | 7 | — | — | — | — | 3 | 7 | (3) | 7 |
| (10) | Total Operating Expenses | 258 | 3 | 32 | 293 | (145) | 2 | (52) | (195) | 113 | 5 | (20) | 98 |
| (11) | Operating Income (Loss) | (90) | (50) | (30) | (170) | 145 | (2) | 52 | 195 | 55 | (52) | 22 | 25 |
| (12) | Miscellaneous income, net | 16 | (2) | (5) | 9 | 6 | — | 14 | 20 | 22 | (2) | 9 | 29 |
| (13) | Pension and OPEB mark-to-market adjustment | 336 | 52 | 48 | 436 | (336) | — | (48) | (384) | — | 52 | — | 52 |
| (14) | Interest expense | (4) | (5) | (4) | (13) | 1 | 1 | — | 2 | (3) | (4) | (4) | (11) |
| (15) | Capitalized financing costs | 2 | (1) | — | 1 | — | — | — | — | 2 | (1) | — | 1 |
| (16) | Total Other Expense | 350 | 44 | 39 | 433 | (329) | 1 | (34) | (362) | 21 | 45 | 5 | 71 |
| (17) | Income (Loss) Before Income Taxes (Benefits) | 260 | (6) | 9 | 263 | (184) | (1) | 18 | (167) | 76 | (7) | 27 | 96 |
| (18) | Income taxes (benefits) | 134 | (1) | (88) | 45 | (117) | — | 62 | (55) | 17 | (1) | (26) | (10) |
| (19) | Income (Loss) From Continuing Operations | 126 | (5) | 97 | 218 | (67) | (1) | (44) | (112) | 59 | (6) | 53 | 106 |
| (20) | Discontinued operations, net of tax | — | — | (33) | (33) | — | — | 33 | 33 | — | — | — | — |
| (21) | Net Income (Loss) | 126 | (5) | 64 | 185 | (67) | (1) | (11) | (79) | 59 | (6) | 53 | 106 |
| (22) | Average Shares Outstanding | | 7 | | | | 7 | | | | 7 | | |
| (23) | Earnings (Loss) per Share | $ 0.23 | $ (0.02) | $ 0.11 | $ 0.32 | $ (0.12) | $ — | $ (0.01) | $ (0.13) | $ 0.11 | $ (0.02) | $ 0.10 | $ 0.19 |

## YTD December 2021

| | (in millions, except for per share amounts) | GAAP | | | | Special Items | | | | Operating (Non-GAAP) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | RD | RT | Corp | FE | RD | RT | Corp | FE | RD | RT | Corp | FE |
| (1) | Electric sales | $ 9,498 | $ 1,608 | $ (140) | $ 10,966 | $ 28 (a) | $ — | $ — | $ 28 | $ 9,526 | $ 1,608 | $ (140) | $ 10,994 |
| (2) | Other | 213 | 10 | (57) | 166 | — | — | — | — | 213 | 10 | (57) | 166 |
| (3) | Total Revenues | 9,711 | 1,618 | (197) | 11,132 | 28 | — | — | 28 | 9,739 | 1,618 | (197) | 11,160 |
| (4) | Fuel | 481 | — | — | 481 | — | — | — | — | 481 | — | — | 481 |
| (5) | Purchased power | 2,947 | — | 17 | 2,964 | — | — | — | — | 2,947 | — | 17 | 2,964 |
| (6) | Other operating expenses | 2,967 | 358 | (129) | 3,196 | 22 (a)(b) | (55) (a) | (127) (b)(c)(e)(f) | (160) | 2,989 | 303 | (256) | 3,036 |
| (7) | Provision for depreciation | 911 | 325 | 66 | 1,302 | — | — | — | — | 911 | 325 | 66 | 1,302 |
| (8) | Amortization (deferral) of regulatory assets, net | 260 | 9 | — | 269 | (157) (a) | — | — | (157) | 103 | 9 | — | 112 |
| (9) | General taxes | 789 | 248 | 36 | 1,073 | — | — | — | — | 789 | 248 | 36 | 1,073 |
| (10) | DPA penalty | — | — | 230 | 230 | — | — | (230) (e) | (230) | — | — | — | — |
| (11) | Gain on sale of Yards Creek | (109) | — | — | (109) | — | — | — | — | (109) | — | — | (109) |
| (12) | Total Operating Expenses | 8,246 | 940 | 220 | 9,406 | (135) | (55) | (357) | (547) | 8,111 | 885 | (137) | 8,859 |
| (13) | Operating Income (Loss) | 1,465 | 678 | (417) | 1,726 | 163 | 55 | 357 | 575 | 1,628 | 733 | (60) | 2,301 |
| (14) | Miscellaneous income, net | 399 | 41 | 77 | 517 | — | — | — | — | 399 | 41 | 77 | 517 |
| (15) | Pension and OPEB mark-to-market adjustment | 270 | 31 | 81 | 382 | (270) (h) | — | (81) (h) | (351) | — | 31 | — | 31 |
| (16) | Interest expense | (523) | (248) | (370) | (1,141) | 1 (g) | 1 (g) | — | 2 | (522) | (247) | (370) | (1,139) |
| (17) | Capitalized financing costs | 41 | 33 | 1 | 75 | — | — | — | — | 41 | 33 | 1 | 75 |
| (18) | Total Other Expense | 187 | (143) | (211) | (167) | (269) | 1 | (81) | (349) | (82) | (142) | (292) | (516) |
| (19) | Income (Loss) Before Income Taxes (Benefits) | 1,652 | 535 | (628) | 1,559 | (106) | 56 | 276 | 226 | 1,546 | 591 | (352) | 1,785 |
| (20) | Income taxes (benefits) | 364 | 127 | (171) | 320 | (44) (a)(b)(c)(f)-(h) | 11 (a)(g) | 78 (b)-(h) | 45 | 320 | 138 | (93) | 365 |
| (21) | Income (Loss) From Continuing Operations | 1,288 | 408 | (457) | 1,239 | (62) | 45 | 198 | 181 | 1,226 | 453 | (259) | 1,420 |
| (22) | Discontinued operations, net of tax | — | — | 44 | 44 | — | — | (44) (f) | (44) | — | — | — | — |
| (23) | Net Income (Loss) | 1,288 | 408 | (413) | 1,283 | (62) | 45 | 154 | 137 | 1,226 | 453 | (259) | 1,420 |
| (24) | Average Shares Outstanding | 545 | | | | 545 | | | | 545 | | | |
| (25) | Earnings (Loss) per Share | $ 2.36 | $ 0.75 | $ (0.76) | $ 2.35 | $ (0.11) | $ 0.08 | $ 0.28 | $ 0.25 | $ 2.25 | $ 0.83 | $ (0.48) | $ 2.60 |

**Special Items (after-tax impact):**

| | | | | |
|---|---|---|---|---|
| (a) Regulatory charges | $ 119 | $ 44 | $ — | $ 163 |
| (b)FE Forward cost to achieve | 3 | — | 1 | 4 |
| (c) Asset impairments | — | — | 9 | 9 |
| (d) State tax legislative changes | 1 | — | 8 | 9 |
| (e) Investigation and other related costs | — | — | 314 | 314 |
| (f) Exit of generation | 11 | — | (115) | (104) |
| (g) Debt-related costs | 1 | 1 | — | 2 |
| (h) Mark-to-market - Pension/OPEB | (197) | — | (63) | (260) |
| Impact to Earnings | $ (62) | $ 45 | $ 154 | $ 137 |

## YTD December 2020

| | (in millions, except for per share amounts) | GAAP | | | | Special Items | | | | Operating (Non-GAAP) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | RD | RT | Corp | FE | RD | RT | Corp | FE | RD | RT | Corp | FE |
| (1) | Electric sales | $ 9,130 | $ 1,613 | $ (139) | $ 10,604 | $ — | $ — | $ — | $ — | $ 9,130 | $ 1,613 | $ (139) | $ 10,604 |
| (2) | Other | 233 | 17 | (64) | 186 | — | — | — | — | 233 | 17 | (64) | 186 |
| (3) | Total Revenues | 9,363 | 1,630 | (203) | 10,790 | — | — | — | — | 9,363 | 1,630 | (203) | 10,790 |
| (4) | Fuel | 369 | — | — | 369 | — | — | — | — | 369 | — | — | 369 |
| (5) | Purchased power | 2,687 | — | 14 | 2,701 | (5) [a] | — | — | (5) | 2,682 | — | 14 | 2,696 |
| (6) | Other operating expenses | 3,178 | 282 | (169) | 3,291 | (6) [b] | — | (59) [b] | (65) | 3,172 | 282 | (228) | 3,226 |
| (7) | Provision for depreciation | 896 | 313 | 65 | 1,274 | — | — | — | — | 896 | 313 | 65 | 1,274 |
| (8) | Amortization (deferral) of regulatory assets, net | (64) | 11 | — | (53) | (12) [b] | — | — | (12) | (76) | 11 | — | (65) |
| (9) | General taxes | 770 | 232 | 44 | 1,046 | — | — | — | — | 770 | 232 | 44 | 1,046 |
| (10) | Total Operating Expenses | 7,836 | 838 | (46) | 8,628 | (23) | — | (59) | (82) | 7,813 | 838 | (105) | 8,546 |
| (11) | Operating Income (Loss) | 1,527 | 792 | (157) | 2,162 | 23 | — | 59 | 82 | 1,550 | 792 | (98) | 2,244 |
| (12) | Miscellaneous income, net | 332 | 30 | 70 | 432 | (6) [b] | — | (14) [b] | (20) | 326 | 30 | 56 | 412 |
| (13) | Pension and OPEB mark-to-market adjustment | (323) | (40) | (114) | (477) | 323 [c] | — | 114 [c] | 437 | — | (40) | — | (40) |
| (14) | Interest expense | (501) | (219) | (345) | (1,065) | — | — | — | — | (501) | (219) | (345) | (1,065) |
| (15) | Capitalized financing costs | 37 | 39 | 1 | 77 | — | — | — | — | 37 | 39 | 1 | 77 |
| (16) | Total Other Expense | (455) | (190) | (388) | (1,033) | 317 | — | 100 | 417 | (138) | (190) | (288) | (616) |
| (17) | Income (Loss) Before Income Taxes (Benefits) | 1,072 | 602 | (545) | 1,129 | 340 | — | 159 | 499 | 1,412 | 602 | (386) | 1,628 |
| (18) | Income taxes (benefits) | 113 | 138 | (125) | 126 | 182 [a]-[c] | — | 38 [b] [c] | 220 | 295 | 138 | (87) | 346 |
| (19) | Income (Loss) From Continuing Operations | 959 | 464 | (420) | 1,003 | 158 | — | 121 | 279 | 1,117 | 464 | (299) | 1,282 |
| (20) | Discontinued operations, net of tax | — | — | 76 | 76 | — | — | (62) [b] [c] | (62) | — | — | 14 | 14 |
| (21) | Net Income (Loss) | 959 | 464 | (344) | 1,079 | 158 | — | 59 | 217 | 1,117 | 464 | (285) | 1,296 |
| (22) | Average Shares Outstanding | | 542 | | | | 542 | | | | 542 | | |
| (23) | Earnings (Loss) per Share | $ 1.77 | $ 0.86 | $ (0.64) | $ 1.99 | $ 0.29 | $ — | $ 0.11 | $ 0.40 | $ 2.06 | $ 0.86 | $ (0.53) | $ 2.39 |

**Special Items (after-tax impact):**

| | RD | RT | Corp | FE |
|---|---|---|---|---|
| (a) Regulatory charges | $ 4 | $ — | $ — | $ 4 |
| (b) Exit of generation | (83) | — | (29) | (112) |
| (c) Mark-to-market adjustments - Pension/OPEB | 237 | — | 88 | 325 |
| Impact to Earnings | $ 158 | $ — | $ 59 | $ 217 |



FirstEnergy

## YTD December 2021 vs YTD December 2020

| | (in millions, except for per share amounts) | GAAP | | | | Special Items | | | | Operating (Non-GAAP) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | RD | RT | Corp | FE | RD | RT | Corp | FE | RD | RT | Corp | FE |
| (1) | Electric sales | $ 368 | $ (5) | $ (1) | $ 362 | $ 28 | $ — | $ — | $ 28 | $ 396 | $ (5) | $ (1) | $ 390 |
| (2) | Other | (20) | (7) | 7 | (20) | — | — | — | — | (20) | (7) | 7 | (20) |
| (3) | Total Revenues | 348 | (12) | 6 | 342 | 28 | — | — | 28 | 376 | (12) | 6 | 370 |
| (4) | Fuel | 112 | — | — | 112 | — | — | — | — | 112 | — | — | 112 |
| (5) | Purchased power | 260 | — | 3 | 263 | 5 | — | — | 5 | 265 | — | 3 | 268 |
| (6) | Other operating expenses | (211) | 76 | 40 | (95) | 28 | (55) | (68) | (95) | (183) | 21 | (28) | (190) |
| (7) | Provision for depreciation | 15 | 12 | 1 | 28 | — | — | — | — | 15 | 12 | 1 | 28 |
| (8) | Amortization of regulatory assets, net | 324 | (2) | — | 322 | (145) | — | — | (145) | 179 | (2) | — | 177 |
| (9) | General taxes | 19 | 16 | (8) | 27 | — | — | — | — | 19 | 16 | (8) | 27 |
| (10) | DPA penalty | — | — | 230 | 230 | — | — | (230) | (230) | — | — | — | — |
| (11) | Gain on sale of Yards Creek | (109) | — | — | (109) | — | — | — | — | (109) | — | — | (109) |
| (12) | Total Operating Expenses | 410 | 102 | 266 | 778 | (112) | (55) | (298) | (465) | 298 | 47 | (32) | 313 |
| (13) | Operating Income (Loss) | (62) | (114) | (260) | (436) | 140 | 55 | 298 | 493 | 78 | (59) | 38 | 57 |
| (14) | Miscellaneous income, net | 67 | 11 | 7 | 85 | 6 | — | 14 | 20 | 73 | 11 | 21 | 105 |
| (15) | Pension and OPEB mark-to-market adjustment | 593 | 71 | 195 | 859 | (593) | — | (195) | (788) | — | 71 | — | 71 |
| (16) | Interest expense | (22) | (29) | (25) | (76) | 1 | 1 | — | 2 | (21) | (28) | (25) | (74) |
| (17) | Capitalized financing costs | 4 | (6) | — | (2) | — | — | — | — | 4 | (6) | — | (2) |
| (18) | Total Other Expense | 642 | 47 | 177 | 866 | (586) | 1 | (181) | (766) | 56 | 48 | (4) | 100 |
| (19) | Income (Loss) Before Income Taxes (Benefits) | 580 | (67) | (83) | 430 | (446) | 56 | 117 | (273) | 134 | (11) | 34 | 157 |
| (20) | Income taxes (benefits) | 251 | (11) | (46) | 194 | (226) | 11 | 40 | (175) | 25 | — | (6) | 19 |
| (21) | Income (Loss) From Continuing Operations | 329 | (56) | (37) | 236 | (220) | 45 | 77 | (98) | 109 | (11) | 40 | 138 |
| (22) | Discontinued operations, net of tax | — | — | (32) | (32) | — | — | 18 | 18 | — | — | (14) | (14) |
| (23) | Net Income (Loss) | 329 | (56) | (69) | 204 | (220) | 45 | 95 | (80) | 109 | (11) | 26 | 124 |
| (24) | Average Shares Outstanding | | 3 | | | | 3 | | | | 3 | | |
| (25) | Earnings (Loss) per Share | $ 0.59 | $ (0.11) | $ (0.12) | $ 0.36 | $ (0.40) | $ 0.08 | $ 0.17 | $ (0.15) | $ 0.19 | $ (0.03) | $ 0.05 | $ 0.21 |

## Condensed Consolidated Balance Sheets (GAAP)

(in millions)

| Assets | December 31, 2021 | December 31, 2020 |
|---|---|---|
| Current Assets: | | |
| Cash, cash equivalents and restricted cash | $ 1,511 | $ 1,801 |
| Receivables | 1,279 | 1,439 |
| Other | 447 | 474 |
| Total Current Assets | 3,237 | 3,714 |
| Property plant and equipment | 34,744 | 33,294 |
| Investments and other noncurrent assets | 7,451 | 7,411 |
| Assets held for sale | — | 45 |
| **Total Assets** | **$ 45,432** | **$ 44,464** |
| **Liabilities and Capitalization** | | |
| Current Liabilities: | | |
| Currently payable long-term debt | $ 1,606 | $ 146 |
| Short-term borrowings | — | 2,200 |
| Accounts payable | 943 | 827 |
| Other | 1,867 | 1,831 |
| Total Current Liabilities | 4,416 | 5,004 |
| Capitalization: | | |
| Total equity | 8,675 | 7,237 |
| Long-term debt and other long-term obligations | 22,248 | 22,131 |
| Total Capitalization | 30,923 | 29,368 |
| Noncurrent Liabilities | 10,093 | 10,092 |
| **Total Liabilities and Capitalization** | **$ 45,432** | **$ 44,464** |

## Condensed Consolidated Statements of Cash Flows (GAAP)

| (in millions) | For the Years Ended December 31, | |
|---|---|---|
| | 2021 | 2020 |
| **Cash Flow from Operating Activities:** | | |
| Net Income | $ 1,283 | $ 1,079 |
| Adjustments to reconcile net income to net cash from operating activities: | | |
| Gain on disposal, net of tax | (47) | (76) |
| Depreciation and amortization | 1,601 | 1,199 |
| Retirement benefits, net of payments | (417) | (301) |
| Pension and OPEB mark-to-market adjustment | (382) | 477 |
| Deferred income taxes and investment tax credits, net | 297 | 113 |
| Asset removal costs charged to income | — | 36 |
| Transmission revenue collections, net | 182 | (32) |
| Gain on sale of Yards Creek | (109) | — |
| Settlement agreement and tax sharing payments to the FES Debtors | — | (978) |
| Changes in working capital and other | 403 | (94) |
| **Net cash provided from operating activities** | **2,811** | **1,423** |
| **Net cash provided from (used for) financing activities** | **(542)** | **2,607** |
| **Net cash used for investing activities** | **(2,559)** | **(2,908)** |
| **Net change in cash, cash equivalents and restricted cash** | **$ (290)** | **$ 1,122** |

# Quarterly Support

## TABLE OF CONTENTS

(Slide)


29. 2022 Key Priorities
30. 2022 Regulatory Calendar
31. TTM RD ROEs – by State
32. TTM Actual Sales by Class
33. TTM Weather-Adjusted Sales
34. TTM Weather Impacts
35. Credit Ratings Summary
36. Credit Profile
37. Debt Maturities Schedule
38. 2022F GAAP to Operating (Non-GAAP) Earnings Reconciliation




# 2022 Key Priorities

## Compliance

- Continuing to build a more centralized and robust compliance organization under the leadership of the Chief Ethics and Compliance Officer
- Updating and refining processes, policies and controls
- Creating multiple channels for incident reporting and developing thorough and objective processes to investigate and address incidents of misconduct
- Seeking continuous improvement by monitoring, benchmarking and independent assessment of the program
- Integrating Governance, Risk, and Compliance tool to be a central repository for document management and case management

## Financial

- Operating EPS guidance range of $2.30 - $2.50
- Cash from Operations guidance of $2.6B - $3.0B
- Investment plan of $3.3B
- Annual Dividend of $1.56/sh, subject to Board approval
- Close on FET minority interest sale and implement financing plan
- Focused on achieving investment-grade credit metrics and ratings

## FE Forward

- Transform how we operate and enhance our organization
  - Simplify and implement best practices throughout our organization
  - Focus on customer experience
  - Improve organizational health and culture
- Focus on performance excellence
  - Invest in innovation and continuous improvement
  - Utilize data and analytics to drive efficient and better outcomes
  - Focus on effective and efficient operations
- Refocus our investment strategy
  - Reinvest capital efficiencies to support the energy transition
  - Focus on lowering operating costs to keep customer rates affordable
  - Improve cash from operations to enhance our credit profile

## Regulatory

- Working through various Ohio HB6 related proceedings
- Filings focused on sustainable investments that support the grid of the future and improve the customer experience
  - OH Grid Mod II
  - NJ Medium-Heavy Duty EV Charging Program
- Working towards settlement and/or resolution
  - NJ AMI plan
  - NJ Light-Duty EV charging program
  - WV Solar filing
  - WV ELG fling
  - PE, MP, WPP Tx Formula Rate Cases
- Preparing for rate case activity
  - MD (early 2023)
  - WV (early 2023)
  - NJ (likely 2023)
  - OH (2024)



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# 2022 Regulatory Calendar

Select Proceedings

| Jurisdiction | Key Dates |
|---|---|
| **Ohio** | |
| • DCR Audit (includes vendor payments, naming rights and agreement disclosure review[1]) | Vendor payments report filed on 8/3/21; Naming rights report filed 11/19/21; Awaiting further PUCO action |
| • Corporate Separation Audit | Audit Report filed 9/13/21; Evidentiary Hearing begins March 14, 2022 |
| • DMR Review | Audit report filed on 1/14/22; Awaiting procedural schedule |
| • Political and Charitable Spend | Awaiting further PUCO action |
| **Pennsylvania** | |
| • PA Management Audit | Report expected in 1Q22 |
| • Default Service Program VI Filing (DSP VI) | Filed December 14, 2021; Hearings begin April 13, 2022 |
| **New Jersey** | |
| • Advanced Metering Infrastructure (BPU Ordered) | Settlement filed on February 8, 2022 |
| • Light-Duty EV Charging Infrastructure Program | Working toward settlement and BPU approval by 1Q22 |
| • NJ BPU Management Audit | Phase II in process; expect to be completed in 1Q22 |
| **West Virginia** | |
| • Solar Generation Projects Proceeding | Filed November 22, 2021; Expect Order in April 2022 |
| • ELG Environmental Compliance Projects Proceeding | Filed December 17, 2021; Awaiting procedural schedule |
| **Maryland** | |
| • Commission Investigation into Ohio-Related Activities | Comments from other parties due February 18, 2022<br>Responses due March 11, 2022 |
| **FERC** | |
| • FERC Audit | Report filed February 4, 2022 |
| • WPP, MP, and PE Transmission Formula Rate Settlement Discussions | Ongoing |

[1] Agreement disclosure review is stayed

# RD Segment – State ROEs

TTM 12/31/2021




| | OH | PA | NJ | WV (2) | MD |
|---|---|---|---|---|---|
| **Rate base at 12/31/21** | $4.0B | $6.0B | $2.9B | $3.2B | $0.5B |
| **Equity/Total Capitalization[1]** | 49% | 51% | 49% | 45% | 52% |
| **ROE EPS Sensitivity +/- 1%** | ~$0.03 | ~$0.05 | ~$0.03 | ~$0.03 | ~$0.01 |

### Key Common Regulatory Adjustments

- Actual revenue, not weather normalized
- Income taxes calculated using statutory rates, consistent with practice used in base rate case filings
- Pension/OPEB expense adjusted for jurisdictional ratemaking treatment

### ROE Projections

Absent base rate increases, ROEs for most jurisdictions expected to decrease:

- Growth in rate base and associated expenses due to incremental capital investments
- Projected increase in equity capitalization rates due to deployment of equity financing proceeds
- Accounting changes(3) – capital to expense:
  - Vegetation management (~$90M annual)
  - Corporate support (~$60M annual)

(1) Calculated using allowed capital structure for OH, actual capital structure for PA, WV & MD and actual capital structure for NJ (adjusted for Goodwill) – consistent methodology as the last base rate case and/or quarterly earnings reports, as applicable

(2) Includes generation and transmission

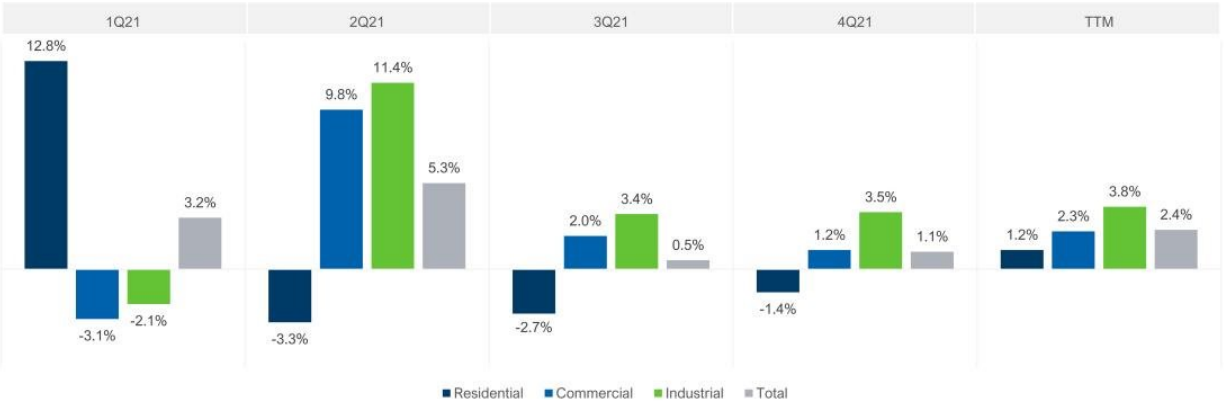
(3) Amounts estimated, rounded to the nearest $10M and assumed in 2022 earnings guidance; corporate support subject to completion of time study



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# Sales by Class

Percent change vs. prior year

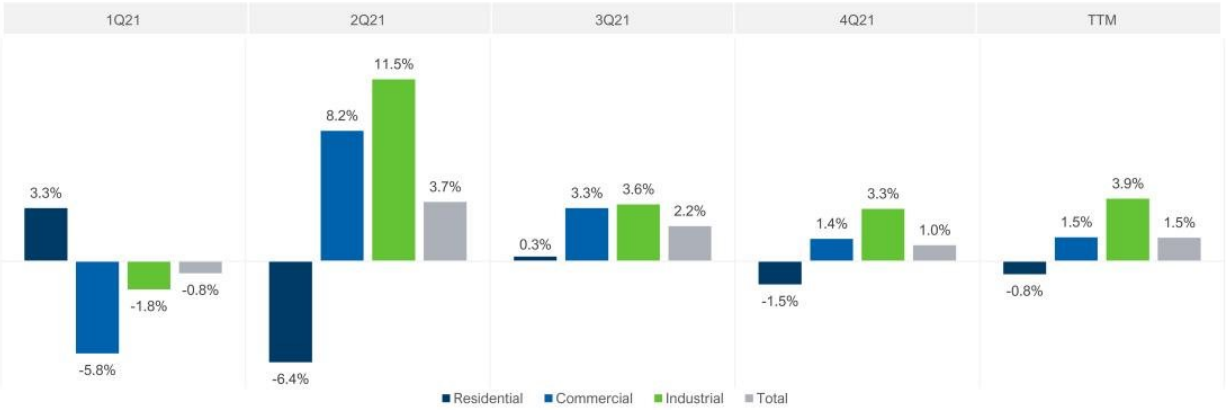



| (MWh in thousands) | 1Q20 | 1Q21 | 2Q20 | 2Q21 | 3Q20 | 3Q21 | 4Q20 | 4Q21 | TTM 4Q20 | TTM 4Q21 |
|---|---|---|---|---|---|---|---|---|---|---|
| Residential | 13,204 | 14,890 | 12,764 | 12,347 | 16,091 | 15,652 | 12,919 | 12,735 | 54,978 | 55,624 |
| Commercial | 8,903 | 8,630 | 7,824 | 8,590 | 9,589 | 9,785 | 8,495 | 8,594 | 34,811 | 35,599 |
| Industrial | 13,548 | 13,258 | 12,010 | 13,384 | 13,560 | 14,018 | 12,916 | 13,368 | 52,034 | 54,027 |
| **Total** | **35,655** | **36,778** | **32,598** | **34,321** | **39,240** | **39,455** | **34,330** | **34,697** | **141,823** | **145,250** |

Commercial includes street lighting

# Weather-Adjusted Sales by Class

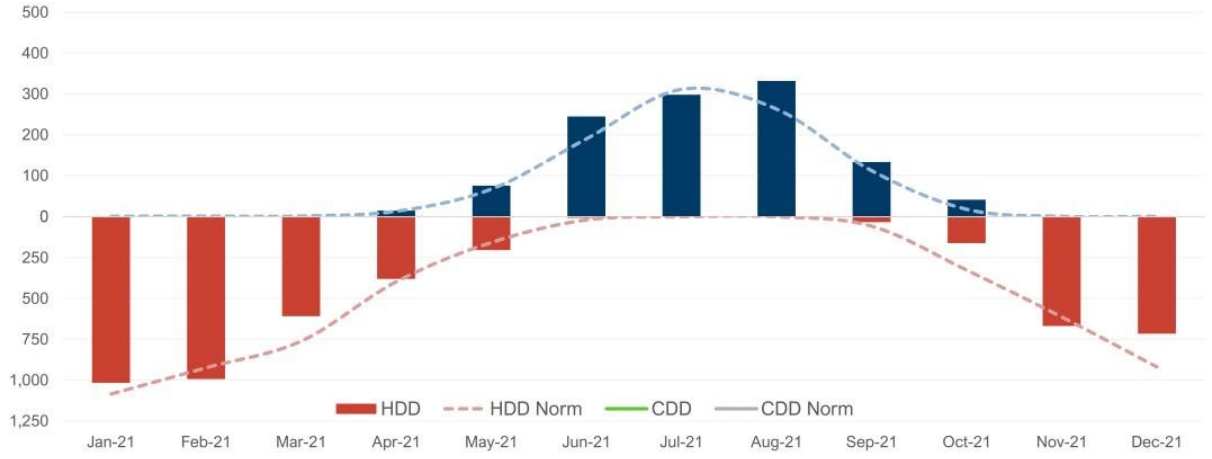
Percent change vs. prior year




| (MWh in thousands) | 1Q20 | 1Q21 | 2Q20 | 2Q21 | 3Q20 | 3Q21 | 4Q20 | 4Q21 | TTM 4Q20 | TTM 4Q21 |
|---|---|---|---|---|---|---|---|---|---|---|
| Residential | 14,899 | 15,397 | 12,669 | 11,861 | 15,157 | 15,200 | 13,418 | 13,220 | 56,142 | 55,678 |
| Commercial | 9,399 | 8,853 | 7,823 | 8,466 | 9,360 | 9,672 | 8,631 | 8,753 | 35,213 | 35,744 |
| Industrial | 13,499 | 13,258 | 12,007 | 13,384 | 13,533 | 14,018 | 12,942 | 13,368 | 51,981 | 54,027 |
| **Total** | **37,797** | **37,508** | **32,499** | **33,711** | **38,050** | **38,890** | **34,991** | **35,341** | **143,336** | **145,449** |

Commercial includes street lighting. 1Q20 adjusted for leap year.

# Weather Impacts




| | | OH | | PA | | NJ | | WV | | MD | | Total | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Days | % | Days | % | Days | % | Days | % | Days | % | Days | % |
| 4Q21 | HDD vs Normal | -367 | -18% | -268 | -14% | -318 | -20% | -269 | -15% | -285 | -16% | -311 | -17% |
| | HDD vs 4Q20 | -203 | -11% | -148 | -8% | -165 | -12% | -168 | -10% | -93 | -6% | -168 | -10% |

# Credit Ratings

*As of February 7, 2022*

| | Issuer/Corporate Family | | | Senior Secured | | | Senior Unsecured | | | Outlook/CreditWatch | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | S&P | Moody's | Fitch | S&P | Moody's | Fitch | S&P | Moody's | Fitch | S&P | Moody's | Fitch |
| FirstEnergy Corp.(*) | BBB- | Ba1 | BB+ | | | | BB+ | Ba1 | BB+ | S | P | P |
| Allegheny Generating Co. | BB+ | Baa2 | BBB- | | | | | | | S | S | P |
| American Transmission Systems Inc. | BBB | A3 | BBB- | | | | BBB | A3 | BBB | S | S | P |
| Cleveland Electric Illuminating | BBB | Baa2 | BBB- | A- | A3 | BBB+ | BBB | Baa2 | BBB | S | N | P |
| FirstEnergy Transmission(*) | BBB- | Baa2 | BB+ | | | | BB+ | Baa2 | BB+ | S | S | P |
| Jersey Central Power & Light | BBB | A3 | BBB- | | | | BBB | A3 | BBB | S | S | P |
| Metropolitan Edison | BBB | A3 | BBB- | | | | BBB | A3 | BBB | S | S | P |
| Mid-Atlantic Interstate Transmission | BBB | A3 | BBB- | | | | BBB | A3 | BBB | S | S | P |
| Monongahela Power | BBB | Baa2 | BBB- | A- | A3 | BBB+ | BBB | Baa2 | | S | S | P |
| Ohio Edison | BBB | A3 | BBB- | A- | A1 | BBB+ | BBB | A3 | BBB | S | S | P |
| Pennsylvania Electric | BBB | Baa1 | BBB- | | | | BBB | Baa1 | BBB | S | S | P |
| Pennsylvania Power | BBB | A3 | BBB- | A- | A1 | BBB+ | | | | S | S | P |
| Potomac Edison | BBB | Baa2 | BBB- | A- | A3 | BBB+ | | | | S | S | P |
| Toledo Edison | BBB | Baa1 | BBB- | A- | A2 | BBB+ | | | | S | N | P |
| Trans-Allegheny Interstate Line Co. | BBB | A3 | BBB- | | | | BBB | A3 | BBB | S | S | P |
| West Penn Power | BBB | A3 | BBB- | A- | A1 | BBB+ | | | | S | S | P |

(*) = holding company
Shaded cells reflect non-investment grade ratings

S = Stable
P = Positive
N = Negative

*Ratings are not recommendations to buy, sell, or hold securities. Ratings are subject to change or withdrawal at any time by the credit rating agencies.*

## Most Recent Ratings Actions

- **On November 8, 2021,** Moody's changed FE's outlook to Positive from Stable
  - Outlook changed at OE to Stable from Negative
- **On November 8, 2021,** S&P issued one-notch upgrade for FE and all subsidiaries
  - Outlook changed on FE, FET, and all subsidiaries to Stable from CreditWatch Positive
- **On November 12, 2021,** Fitch changed outlook on FE, FET, and all subsidiaries to Positive from Stable

# Credit Profile

*As of February 7, 2022*

## Focused on Investment-Grade ratings

- Focused on 13% FFO-to-Debt no later than 2024; targeting mid-teens thereafter
- Targeting ~25% FE Corp. HoldCo debt as % of total debt
- Long-term aspiration to be a BBB company

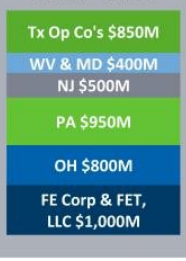
| | |
|---|---|
| S&P Global Ratings | BB+, Stable Outlook<br>No defined FFO/Debt upgrade threshold(1) |
| Moody's | Ba1, Positive Outlook<br>12% CFO pre-WC/Debt upgrade threshold |
| Fitch | BB+, Positive Outlook<br>6.5x FFO Leverage upgrade threshold |

(Senior Unsecured)

## Focused on strong Liquidity

- Available Liquidity: $5.0B, includes ~$515M of cash and cash equivalents
- $4.5B Revolving credit facilities; committed through October 18, 2026
  - ✓ In compliance with bank covenants

**TOTAL: $4.5B**




**Utilities & Transmission Companies:** 65% debt-to-capitalization ratio

**FE Corp:** 2.5x interest coverage ratio
**FET, LLC:** 75% debt-to-capitalization ratio

All Utilities and Transmission Companies are **Investment-Grade** at all 3 Rating Agencies

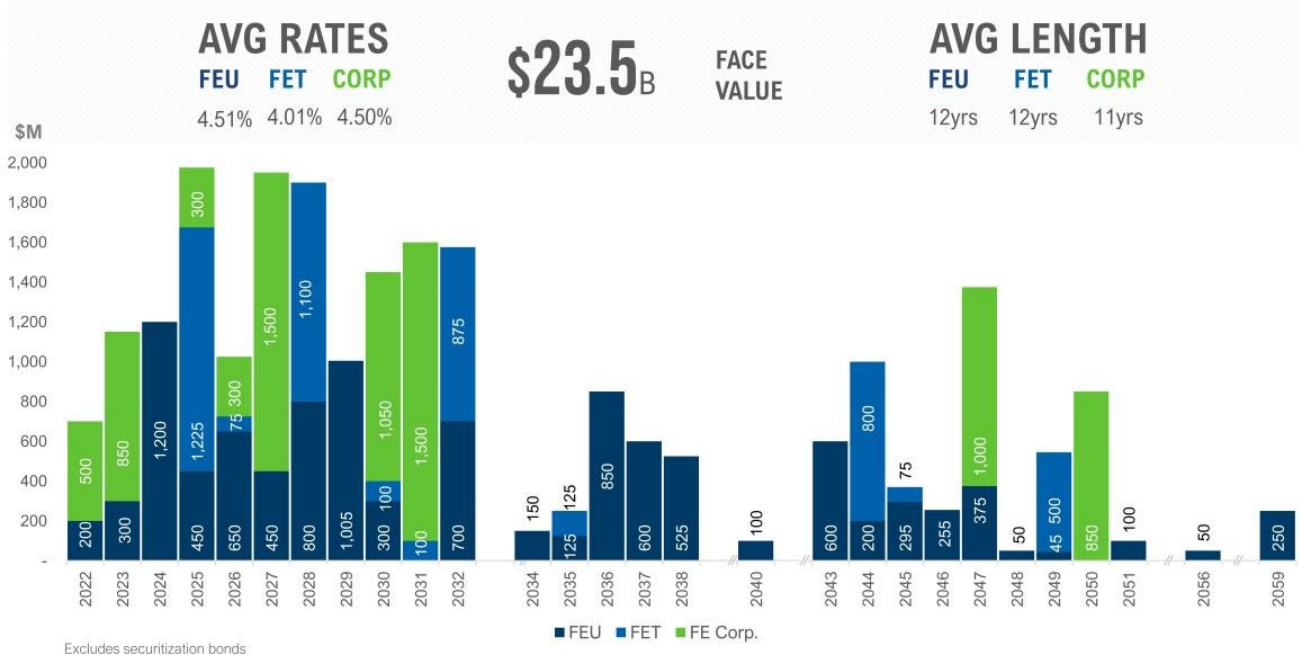
(1) S&P could raise the rating by one or more notches if the Company identifies long-term funding for the potential penalties/fines or resolves the remaining investigations and lawsuits against the Company, in addition to the steps already taken, without weakening credit quality.



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# Consolidated Long-Term Debt Maturities

*As of December 31, 2021*




Excludes securitization bonds

# 2022F GAAP to Operating (Non-GAAP) Earnings[1] Reconciliation

| (In $M, except per share amounts) | 2022F | | | | 1Q22F |
|---|---|---|---|---|---|
| | Regulated Distribution | Regulated Transmission | Corporate/ Other | FirstEnergy Consolidated | FirstEnergy Consolidated |
| **2022F Net Income (Loss) (GAAP)** | **$1,050 – $1,120** | **$445 – $470** | **($120) – ($100)** | **$1,375 – $1,490** | **$285 – $345** |
| **2022F Earnings (Loss) Per Share (571M shares)** | **$1.84 – $1.96** | **$0.78 – $0.82** | **($0.21) – ($0.17)** | **$2.41 – $2.61** | **$0.50 – $0.60** |
| **Excluding Special Items:** | | | | | |
| Investigation and Other Related Costs (Credits) | – | – | ($0.16) | ($0.16) | - |
| Debt-Related Costs | – | – | $0.05 | $0.05 | $0.05 |
| **Total Special Items** | **$-** | **$-** | **($0.11)** | **($0.11)** | **$0.05** |
| **2022F Operating Earnings (Loss) Per Share – Non-GAAP** (571M shares) | **$1.84 – $1.96** | **$0.78 – $0.82** | **($0.32) – ($0.28)** | **$2.30 – $2.50** | **$0.55-$0.65** |

(1) Operating earnings exclude special items as described in the reconciliation table above and is a non-GAAP financial measure.

Per share amounts for the special items above are based on the after-tax effect of each item divided by the number of shares outstanding for the period. The current and deferred income tax effect was calculated by applying the subsidiaries' statutory tax rate to the pre-tax amount if deductible/taxable. The income tax rates range from 21% to 29%.